

THIS DOCUMENT is a prospectus (the “Prospectus”) relating to BACIT Limited (the “Company”) prepared in accordance with the Prospectus Rules of the Financial Services Authority (“FSA”) made under section 73A of the Financial Services and Markets Act 2000 (“FSMA”) and approved by the FSA under section 87A of FSMA. The Prospectus has been filed with the FSA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

The Shares (as defined below) 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 programme. The attention of potential investors is drawn to the risk factors set out on pages 14 to 32 of this Prospectus.

The Company is a registered closed-ended collective investment scheme incorporated as a non-cellular company limited by shares in Guernsey. The Company is not an authorised person under FSMA and, accordingly, is not registered with the FSA. The Company is a registered closed-ended collective investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the “POI Law”) and the Registered Collective Investment Scheme Rules 2008 (the “CIS Rules”) issued by the Guernsey Financial Services Commission (the “GFSC”). The GFSC, in granting registration, has not reviewed this Prospectus but has relied upon specific warranties provided by Northern Trust International Fund Administration Services (Guernsey) Limited, the Company’s “designated manager”. Neither the GFSC nor the States of Guernsey Policy Council take 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.

Application will be made to the FSA for all of the Shares issued and to be issued in connection with the Placing and the Offer for Subscription (each as defined below) described in this Prospectus (together the “Offer”) to be admitted to the Official List (premium listing) of the UK Listing Authority (the “Official List”) and for all such Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities. It is not intended that any class of shares in the Company be admitted to listing in any other jurisdiction. It is expected that admission will become effective and that unconditional dealings in the Shares will commence at 8.00 a.m. (London time) on 26 October 2012 (“Admission”).

The Company and its directors, whose names appear on page 40 of this Prospectus (the “Directors”), accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

BACIT Limited

(a registered closed-ended collective investment scheme incorporated as a non-cellular company limited by shares under the laws of Guernsey with registered number 55514)

Placing of Shares and UK Offer for Subscription of Shares (at £1 per Share)
and Admission to the Official List and to trading on
the London Stock Exchange’s main market for listed securities

Global Coordinator, Sponsor and Bookrunner
J.P. Morgan Cazenove

J.P. Morgan Securities plc. (which conducts its UK investment banking activities as J.P. Morgan Cazenove) (the “Global Coordinator”) is authorised and regulated in the UK by the FSA, and is acting exclusively for the Company in respect of the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to the respective customers of the Global Coordinator, or for providing advice in relation to the Offer, the contents of the Prospectus or any matters referred to herein.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any state securities laws in the United States or under the applicable securities laws of Australia, Canada, Japan, South Africa, Singapore or Hong Kong. Subject to certain exceptions, the Shares may not be offered or sold within Australia, Canada, Japan, South Africa, Singapore or Hong Kong. Further, the Shares may not be offered or sold directly or indirectly in or into the United States, or to or for the account or benefit of any U.S. person (as defined in Regulation S under the Securities Act) or any Resident of the United States (as defined herein). Neither the U.S. Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”) and investors will not be entitled to the benefits of that Act.

Prospective investors should familiarise themselves with the selling and transfer restrictions in Part VII of this Prospectus under the section “*Additional Information – Restrictions on Sales*”.

The actual number of Shares issued pursuant to the Offer will be determined by the Company in consultation with the Global Coordinator 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 Offer 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 Offer and how the number of such Shares is to be determined are contained in Part IV “*The Offer*” of this Prospectus.

Prospective investors should rely only on the information in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorised. Neither the delivery of this Prospectus nor any subscription made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information in this Prospectus is correct as of any time subsequent to the date of this Prospectus, save for such statements as are required by law or regulation to refer to one or more future dates.

Apart from the liabilities and responsibilities, if any, which may be imposed on the Global Coordinator by FSMA or the regulatory regime established thereunder, the Global Coordinator accepts no responsibility whatsoever for the contents of this Prospectus or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares or the Offer. The Global Coordinator accordingly disclaims any and all liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

The content of this Prospectus is not to be construed as legal, financial, business, investment or tax advice. Each prospective investor should consult his, her or its legal adviser, independent financial adviser or tax adviser for legal, financial or tax advice. Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of the Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of the Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of the Shares.

In connection with the Offer, the Global Coordinator and any of its affiliates, in each case acting as an investor for its or their own account(s), may acquire Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other related investments in connection with the Offer 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 Global Coordinator and any of its affiliates acting as an investor for its or their own account(s). Neither the Global Coordinator nor any of its affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

This Prospectus should be read in its entirety before making any application for Shares. If you are in any doubt about the contents of this document, you should consult your accountant, legal or professional adviser or financial adviser.

Capitalised terms contained in this Prospectus have the meaning given to such terms in Part VIII of this Prospectus.

Dated 1 October 2012

CONTENTS

CONTENTS.....	3
SUMMARY.....	4
RISK FACTORS.....	14
IMPORTANT INFORMATION.....	33
OFFER STATISTICS	38
EXPECTED TIMETABLE	39
DIRECTORS AND ADVISERS	40
PART I – THE COMPANY	42
PART II – INITIAL INVESTMENT OPPORTUNITIES	54
PART III – DESCRIPTION OF THE BACIT FOUNDATION AND THE CHARITIES	58
PART IV – THE OFFER	61
PART V – FINANCIAL INFORMATION AND REPORTS TO SHAREHOLDERS.....	69
PART VI – TAX CONSIDERATIONS	74
PART VII – ADDITIONAL INFORMATION.....	79
PART VIII – DEFINITIONS	109
PART IX – TERMS AND CONDITIONS OF PUBLIC APPLICATION UNDER THE OFFER FOR SUBSCRIPTION	113
PART X – NOTES ON HOW TO COMPLETE THE PUBLIC APPLICATION FORM.....	119
BACIT LIMITED PUBLIC APPLICATION FORM	121

SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. These Elements are numbered in Sections A – E (A.1 – E.7) below. This summary contains all the Elements required to be included in a summary for this type of securities and the 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 securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Section A – Introduction and Warnings

A.1	Introduction	<i>This summary should be read as an introduction to the Prospectus; any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor; where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and 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 the prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</i>
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable: the Issuer is not engaging any financial intermediaries for any resale of securities or final placement of securities after publication of this document.

Section B – Issuer

B-33, B.1	Legal and commercial name	BACIT Limited (the “ Company ”).
B-33, B.2	Domicile / Legal Form / Legislation/ Country of Incorporation	The Company is a registered closed-ended collective investment scheme incorporated as a non-cellular company limited by shares in Guernsey on 14 August 2012. The Company is registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the “ POI Law ”) and the Registered Collective Investment Scheme Rules 2008 (the “ CIS Rules ”) issued by the Guernsey Financial Services Commission (“ GFSC ”).
B-33, B.5	Description of Group	The Company will make its investments through BACIT Investments LP Incorporated, a newly formed Guernsey limited partnership (the “ Limited Partnership ”), in which the Company will be the sole limited partner and the general partner will be BACIT GP Limited (the “ General Partner ”), a wholly-owned Guernsey incorporated subsidiary of the Company. The Company will contribute the proceeds of the placing and offer for subscription (the “ Offer ”) to the Limited Partnership (net of the formation and initial expenses of the Company and its subsidiaries and subsidiary undertakings and the Company’s short term working capital requirements) which will, in turn, make investments and hold assets in a manner consistent with the Company’s investment policy.

B-33, B.6	Interests in shares / voting rights / controllers	As at the date hereof, in so far as is known to the Company, no person is or will, immediately following the Offer, be directly or indirectly interested in 5 per cent. or more of the Company's capital other than Tom Henderson who will be indirectly interested in six per cent. (assuming an offer size of £250 million). Such shareholders will not have different voting rights to other holders of ordinary shares ("Shares"), ("Shareholders"). The Companies (Guernsey) Law, 2008, as amended, imposes no requirement on Shareholders to disclose holdings of five per cent. (or any greater limit) or more of any class of the share capital of the Company. However, the Disclosure and Transparency Rules provide that certain persons (including Shareholders) will be obliged to notify the Company if the proportion of the Company's voting rights which they own reaches, exceeds or falls below specific thresholds (the lowest of which will be 5 per cent.). The Articles of Incorporation of the Company give the Board the power by notice in writing to require any Shareholder to disclose to the Company the identity of any person other than the Shareholder who has any interest (whether direct or indirect) in the Shares held by the Shareholder and the nature of such interest or who has been so interested at any time during the three years immediately preceding the date on which the notice is issued. The Company is not aware of any person who, directly or indirectly, jointly or severally, exercises or, immediately following the Offer, could exercise control over the Company.
B-33, B.7	Selected historical key financial information	Not applicable. The Company was incorporated on 14 August 2012, has not yet commenced operations and accordingly has no historical financial statements.
B-33, B.8	Selected key <i>pro forma</i> financial information	Not applicable. No <i>pro forma</i> financial information is included in the Prospectus.
B-33, B.9	Profit forecast / estimate	Not applicable. No profit forecast is included in the Prospectus.
B-33, B.10	Qualifications on audit report	Not applicable. The Company has no historical financial statements and accordingly no audit reports have been issued.
B.11	Working capital	Not applicable. The Company is of the opinion, taking into account the minimum net proceeds of £150 million, that the working capital available to Group is sufficient for its present requirements (that is, for at least the next 12 months from the date of this Prospectus).
B.34	Investment objective and policy	The Company's investment objective is to deliver superior returns from investments in leading long-only and alternative investment funds across multiple asset classes and will target an annualised return per Share (taking into account both growth in net asset value and any distributions on the Shares) in the range of 10 to 15 per cent. per annum on the offer price of the Shares. ¹ Investments will only be made in cases where the relevant investment manager provides investment capacity on a "gross return" basis, meaning that the Group does not bear the impact of management or performance fees on the relevant investment. This may be achieved by the relevant manager or fund agreeing with the Group not to charge management or performance fees, by

¹ This is a target only and not a profit forecast. There can be no assurance that the target will be met and it 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 this target rate of return for the Company is reasonable or achievable in deciding whether to invest in the Company.

		rebating or donating back to the Group any management or performance fees charged or otherwise arranging for the Group to be compensated so as effectively to increase its investment return on the relevant investment by the amount of any such fees. Additionally, the employees of the General Partner (the “Management Team”) will provide their services without charge to the Group. The composition of the Group’s investment portfolio will vary over time in terms of its investments in asset classes, strategies, managers and funds but the Group intends to be invested in at least 15 distinct investment funds or managed account strategies at any time. The Group intends to invest to one per cent. per annum of the value of the assets of the Company less its liabilities (“NAV”) to acquire interests in drug development and medical innovation projects undertaken by the Institute of Cancer Research (the “ICR”) or its subsidiaries in the field of cancer research and therapeutics which have the potential for commercial development and application (“ICR Projects”). The Group intends to invest (i) no more than 20 per cent. of its assets (measured at the time of investment) in any single fund or managed account; (ii) no more than 30 per cent. of its assets (measured at the time of investment) with a single investment manager; (iii) no more than 50 per cent. of its assets (measured at the time of investment) in funds or managed accounts pursuing any single investment strategy (defined for these purposes as convertible arbitrage, distressed, emerging markets, equity, event-driven, fixed income, macro, merger arbitrage, multi-strategy and relative value and systemic strategies); and (iv) no more than 80 per cent. of its assets (measured at the time of investment) in any single asset class (defined for these purposes as long-only equity funds, hedge funds, private equity funds, credit and fixed income, real estate funds, infrastructure funds and other asset classes not included in any of the foregoing). The funds and accounts in which the Group invests may follow a wide range of investment policies and strategies and may be permitted to borrow and invest in long and short positions in quoted and unquoted equities, fixed income securities, options, warrants, futures, commodities, currency forwards, over the counter derivative instruments (such as swaps), securities that lack active public markets, private securities, repurchase agreements, preferred stocks, convertible bonds and other financial instruments or real estate as well as cash and cash equivalents. The Group may invest on a global basis, including in funds that invest in emerging markets. The Group will make an aggregate annual donation, in arrears, of one per cent of NAV (the “Annual Donation”) to charities, with half donated to the ICR and half donated to a new charitable foundation, The BACIT Foundation (“BACIT Foundation”). The BACIT Foundation will (net of its running expenses) grant those funds to charities named in a list proposed annually by the BACIT Foundation (which will include the ICR) in proportions determined each year by investors in the Company. The first such payments will be paid in respect of the partial year ending 31 March 2013 (pro rated in respect of the period from Admission to the year-end).
--	--	---

		The Group does not propose to enter into any securities or derivative hedging or other derivative arrangements other than may from time to time be considered appropriate for the purposes of efficient portfolio management and will not enter into such arrangements for investment purposes, although there will be no limitations on such arrangements being entered into at the level of the Group's underlying investments.
B.35	Borrowing / leverage limits	The Group may incur indebtedness for working capital or investment purposes up to a maximum of 20 per cent. of NAV at the time of incurrence. The decision on whether to incur indebtedness may be taken by the Management Team within such parameters as are approved by the board of directors of the Company (the “Board”) from time to time. While the Group has no current intention to do so, it may utilise gearing for investment purposes in the future if, at the time of incurrence, it considers it prudent and desirable to do so in light of then prevailing market conditions. There will be no limitations on indebtedness being incurred at the level of the Group's underlying investments. The Board may incur leverage for the purpose of financing Share repurchases or redemptions, making investments (including as bridge finance for investment obligations) or satisfying working capital requirements, or to assist in payment of the Annual Donation.
B.36	Regulatory status	The Company is registered pursuant to the POI Law and the Registered Collective Investment Scheme Rules 2008 issued by the GFSC. The Company is regulated by the GFSC.
B.37	Typical investor	An investment in the Company is intended to appeal to sophisticated or institutional investors who seek long-term capital appreciation and who understand the risks involved in investing in the Company, including the risk of loss of all capital invested.
B.38	Concentration of gross assets (20 per cent.)	Not applicable. More than 20 per cent. of the gross assets of the collective investment undertaking may not be invested in any specified way.
B.39	Concentration of gross assets (40 per cent.)	Not applicable. The Group may not invest in excess of 40 per cent. of its gross assets in another collective investment undertaking.
B.40	Service providers	The Company, the General Partner and the Limited Partnership will be administered by Northern Trust International Fund Administration Services (Guernsey) Limited (the “Administrator”). For the provision of such services the Administrator is entitled to receive a fee of up to 7.5 basis points of NAV per annum calculated as at the last valuation day in each month (as produced by the Administrator), subject to a minimum fee of £120,000 per annum payable monthly in arrears (the parties may by agreement revise these fees from time to time). The Company will also reimburse the Administrator for disbursements and reasonable out of pocket expenses incurred by the Administrator on behalf of the Company, the General Partner or the Limited Partnership. Northern Trust (Guernsey) Limited (the “Custodian”) has been appointed as custodian to the Company and to the Limited Partnership. For the provision of such services, the Custodian is entitled to receive a fee of up to 5 basis points of NAV per annum calculated as at the last valuation day in each month (as produced

		by the Administrator), subject to a minimum fee of £20,000 per annum together with transaction charges payable monthly in arrears (the parties may by agreement revise these fees from time to time). The General Partner will also reimburse the Custodian for disbursements and reasonable out of pocket expenses incurred by the Custodian on behalf of the Company and the Limited Partnership. Capita Registrars (Guernsey) Limited (the “Registrar”) has been appointed as registrar to the Company. For the creation and maintenance of the share register the Registrar is entitled to receive a basic fee based on the number of Shareholder accounts, an annual fee of up to £1.75 per holder of Shares appearing on the register during the fee year, subject to a minimum fee per year of £7,999, and to a fee of £500 per annum for provision of share portal services. In addition to this basic fee, the Registrar is entitled to receive additional fees for specific actions.
B.41	Investment manager / investment advisor / custodian / trustee or fiduciary	The Management Team will manage the Group’s investment portfolio from time to time (the “Investment Portfolio”) and investment decisions regarding the Investment Portfolio will be taken by the Management Team with the benefit of advice from a strategic advisory committee to the Limited Partnership. The Administrator has been appointed as administrator, secretary and designated manager of the Company, Limited Partnership and General Partner. The Administrator is licensed by the GFSC under the POI Law, to act as “designated manager” and provide administrative services to closed-ended investment funds and collective investment schemes. The Custodian has been appointed as custodian to the Limited Partnership. The Custodian is licensed by the GFSC under the POI Law to provide custody services to collective investment schemes.
B.42	Net asset value	The NAV per Share will be reported to Shareholders on a monthly basis and calculated by the Administrator on the latest published net asset value for each underlying fund. Investments in underlying funds will be valued using the values (whether final or estimated) as advised by their managers, general partners or administrators. The Group may depart from this policy where it is considered such valuation is inappropriate and may, at their discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with good accounting practice. In the event that a price or valuation estimate accepted by the Group in relation to an underlying fund subsequently proves to be incorrect or varies from the final published price, no retrospective adjustment to any previously announced NAV or NAV per Share will be made. Save as described above, the Company will rely on valuation and reporting methods used by the managers, general partners or administrators of the underlying funds. Any investments which are marketable securities quoted on an investment exchange will be valued at the relevant bid price at the close of business on the relevant date. Cash and liquid assets will be valued at their face value, plus any interest accrued.

		All calculations made by the Administrator will be based, in significant part, on valuation information provided by the Company or by the underlying investment funds in which the Group invests. In addition, the financial reports produced by certain funds in which the Group invests may be provided only on a quarterly or half yearly basis and issued up to four months after their respective valuation dates. Consequently, each reported NAV per Share will contain information that may be out of date and require updating and completing. Shareholders should bear in mind that the actual NAV per Share may be materially different from any reported estimates. The Board may at any time temporarily suspend the calculation of the Net Asset Value attributable to the Shares during: (i) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Board, disposal or valuation of a substantial portion of the investments of the Group is not reasonably practicable without this being seriously detrimental to the interests of Shareholders or if, in the opinion of the Board, the NAV of the Company cannot be fairly calculated; (ii) any breakdown in the means of communication normally employed in determining the price of a substantial portion of the investments of the Group or when for any other reason the current prices of any of the investments of the Group cannot be promptly and accurately ascertained; (iii) any period during which any transfer of funds involved in the realisation or acquisition of investments of the Group cannot, in the opinion of the Board, be effected at normal prices or rates of exchange; or (iv) any period when the Board considers it to be in the best interests of the Company. Shares will not be issued for the duration of the period of such suspension. Details of each monthly valuation, and of any suspension in the making of such valuations, will be announced by the Company through a regulatory information service provider as soon as practicable after the end of the relevant month.
B.43	Cross-liability	Not applicable. The Group is not an umbrella collective investment undertaking.
B.44– B.7	No financial statements	The Company was incorporated on 14 August 2012 and has not yet commenced operations. It has no historical financial statements.
B.45	Portfolio	The Group intends to have an investment portfolio which is diversified over different asset classes and investment strategies. The Group will invest the net proceeds of the Offer in some or all of the investment opportunities that are currently available to it on a timely basis as is prudent in light of the prevailing market conditions following Admission. Accordingly, the exact composition of the fully invested portfolio and the identity of specific investments will depend on market conditions and the availability of investments at the time of investment. Adjustments may be made to the spread of investments in the portfolio following the making of the Group's initial investments so that the exact composition of the Group's longer term fully invested portfolio may not be known for between six to twelve

		months following Admission. Further, the Group's investment portfolio will change over time as the Company realises existing investments and responds to new opportunities as they arise.
B.46	Net asset value per security	The expected opening NAV per Share is 98.7p.

Section C – Securities

C.1	Description of securities	Ordinary shares of the Company (“ Shares ”). The ISIN for the Shares is GG00B8P59C08.
C.2	Currency of the securities issue	The offer price is in pounds sterling.
C.3	Number of shares / whether fully paid / par value	The actual number of Shares issued pursuant to the Offer will be determined by the Company in consultation with J.P. Morgan Securities plc. (which conducts its UK investment banking activities as J.P. Morgan Cazenove) as global coordinator after taking into account the demand for Shares and prevailing economic and market conditions, subject to a maximum number of 500 million Shares with an aggregate value of £500 million. As soon as practicable following the closing of the Offer, the Company will publish an announcement which will contain the number of Shares to be issued pursuant to the Offer. The Shares are being offered at £1 per Share. The Shares have no par value.
C.4	Rights attached to the securities	Each Shareholder shall have one vote for each Share held by it. Shareholders are entitled to participate in the assets of the Company attributable to their Shares on a winding-up of the Company.
C.5	Restrictions on free transferability	Subject to the articles of incorporation of the Company (and the restrictions on transfer contained therein) and the terms of issue of Shares, a Shareholder may transfer all or any of his Shares in any manner which is permitted by the Companies Laws or in any other manner which is from time to time approved by the Board. The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any Share which is not fully paid or on which the Company has a lien provided that, in the case of a Share, this would not prevent dealings in the Shares of that class from taking place on an open and proper basis on the London Stock Exchange. In addition, the Board may refuse to register a transfer of Shares if (i) in the case of Certificated Shares (a) it is in respect of more than one class of Shares, (b) it is in favour of more than four joint transferees or (c) it is delivered for registration to the registered office of the Company or such other place as the Board may decide and is not accompanied by the certificate for the Shares to which it relates and such other evidence of title as the Board may reasonably require and (ii) the transfer is in favour of any person, as determined by the Directors, to whom a sale or transfer of Shares, or in relation to whom the sale or transfer of a direct or beneficial holding of Shares, would or might result in (x) the Company being required to register as an investment company under the the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”), (y) benefit plan investors (“Plan Investors”) (as defined in Section 3(42) of U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”)) acquiring an aggregate interest exceeding 25 per

		cent. of the value of any equity class in the Company or (z) the assets of the Company being deemed to be assets of a Plan Investor The Board have the power: to require the sale or transfer of Shares in certain circumstances. Such power may be exercised to prevent (i) the Company from being in violation of, or required to register under, the Investment Company Act or being required to register the Shares under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or the U.S. Securities Exchange Act of 1934, as amended (the “Securities Exchange Act”) (including in order to maintain the status of the Company as a “foreign private issuer” for the purposes of those Acts); (ii) any member of the Group being in violation of, or required to register under or report pursuant to, the Investment Adviser Act; (iii) the assets of the Company from being deemed to be assets of an employee benefit plan within the meaning of ERISA or of a plan within the meaning of Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”); (iv) any member of the Group from being in violation of, or required to register under, the U.S. Commodity Exchange Act of 1974 (“CEA”); and (v) any member of the Group from having compliance obligations under, or from being in violation of, the Hiring Incentive for Restoring Employment Act of 2010 (which incorporates the anti-avoidance revenue provisions contained in U.S. Foreign Account Tax Compliance Act (“FATCA”)) or otherwise not being in compliance with the Investment Company Act, ERISA, the CEA, FATCA or the Code. The Board may decline to register a transfer of a Share recorded on the register as being held in uncertificated form in CREST which is traded through the CREST UK system in accordance with the CREST rules where, in the case of a transfer to joint holders, the number of joint holders to whom such Share is to be transferred exceeds four.
C.6	Admission to trading on regulated market:	Application will be made for all of the Shares issued and to be issued in connection with the Offer to be admitted to trading on the London Stock Exchange’s main market for listed securities.
C.7	Dividend policy	The Company may pay a dividend at the discretion of the Board. The Board is targeting an initial dividend of two per cent. per annum of NAV. Any such dividend will be paid annually, with the earliest opportunity for the Company to pay a dividend being the partial year ending 31 March 2013. The Company also proposes to offer a scrip dividend alternative, under which Shareholders may elect to receive new Shares in place of a cash dividend, subject to Shareholder approval, so that the cash that otherwise would have been distributed can be used for investment purposes. The Directors intend to seek Shareholder approval at each annual general meeting to offer a scrip dividend alternative. New Shares issued pursuant to any election for a scrip dividend shall be issued at the applicable NAV per Share. Payment of any dividend will be subject to compliance with applicable laws and regulations and the Company having profits available for the purpose. Notwithstanding the distribution policy described above, the Company retains the discretion to reinvest the proceeds of investments received by the Group.

Section D – Risks

D.1	Key risks specific to the issuer or its industry	● The Company does not have any operating history, historical financial statements or other meaningful operating or financial data with which investors may evaluate the Company, the performance of the investments that the Group intends to make or the effectiveness of the Company's investment strategy as a whole. ● The historical performance and illustrative portfolio information in the Prospectus may not be indicative of the Company's future performance or investment portfolio and as such provides no assurance that the Company will meet its investment objectives generally or avoid losses. ● The Company is subject to the risk that Tom Henderson or certain other employees will cease to be involved with the Group and that no suitable replacement will be found who is willing to work without remuneration from the Group and/or meet the cost of Group expenses. ● Suitable investment opportunities may be difficult to locate as a result of the Company's requirement that investments are made on a "gross return" basis, which may reduce the opportunities available to the Group for investment. ● The Group will undertake limited investment and no operational due diligence in connection with its investments and potential investments, which may expose the Company to loss from operational deficiencies or fraud at the underlying investments. ● The Group's obligation to make charitable donations may require it to realise investments in circumstances in which it otherwise might not choose to do so, or to realise certain investments that are better performing or more liquid than others. ● There can be no guarantee that the Group will achieve the target returns or dividend targets stated in the Prospectus, which are forward-looking. Failure to achieve the target return could have a material adverse effect on the Company's share price. ● The provision of risk capital to finance drug development and medical innovation projects is very speculative and there can be no guarantee of any return, which could suppress the Company's investment return and ability to grow NAV. ● Failure by any member of the Group and/or any of the underlying funds in which it invests to maintain tax residence only in the jurisdiction in which it is intended that any member of the Group or relevant underlying fund be tax resident, or a change in the location or nature of the business operations performed by the member of the Group or underlying fund, may give rise to additional tax costs and a reduced return on investments as a result. ● The impact of various regulatory initiatives on the Group and its underlying investments, such as the Alternative Investment Fund Managers Directive, is uncertain but could expose the Group and its underlying investments to considerable expense.
-----	--	---

D.3	Key risks specific to the securities	● Shareholders will have no rights of redemption for Shares and must rely on the existence of a liquid market in order to realise their investment. ● The Shares may trade at a discount to Net Asset Value. ● The monthly Net Asset Value figures published by the Company will be estimated only and may be materially different from actual results.
E.1	Total net proceeds/ estimate of the total expenses of the issue/ offer / estimated expenses charged to the investor	Section E – Offer The net proceeds of the Offer are expected to be £246,750,000. The costs and expenses of the Offer will be borne by the Company in full and are not expected to exceed 1.3 per cent. of the gross proceeds of the Offer. No expenses will be directly charged to investors.
E.2a	Reasons for the offer, use of proceeds, estimated net amount of the proceeds.	The Company will contribute the proceeds of the Offer to the Limited Partnership (net of the formation and initial expenses of the Group and the Company's short term working capital requirements) which will, in turn, make investments and hold assets in a manner consistent with the Company's investment policy. The net proceeds of the Offer are expected to be £246,750,000.
E.3	A description of the terms and conditions of the offer.	The Offer will commence on the date hereof. The latest time for the receipt of applications of Shares in the Placing is midday (London time) on 22 October 2012 (but this period may be shortened or extended at the discretion of the Global Coordinator with the agreement of the Company and without further notice). Applications in the offer for subscription must be made on the public application form attached at the end of this Prospectus or, for applications for up to a maximum of £10,000 in Shares, submitted via an electronic form accessible at the following website www.bacitltd.com .
E.4	Material / conflicting interests.	Not applicable. There are no interests material to the Offer including conflicting interests.
E.5	Name of the person or entity offering to sell the security. Lock-up agreements: the parties involved; and indication of the period of the lock up.	Not applicable. There are no selling shareholders. The Company has entered into a lock-up for a period of 180 days.
E.6	Dilution	Not applicable. This is an initial offering.
E.7	Estimated expenses charged to the investor	The costs and expenses of the Offer will be borne by the Company in full and are not expected to exceed 1.3 per cent. of the gross proceeds of the Offer.

RISK FACTORS

An investment in the Shares is subject to a number of risks and uncertainties which may prevent the Company from increasing its Net Asset Value or which may cause the Company's Net Asset Value to decrease and/or which may cause the value of the Shares to decline significantly.

Consequently, investors contemplating an investment in the Company should recognise that the market value of the Shares can fluctuate and may not always reflect their underlying Net Asset Value. No express or implied guarantee is given that Shareholders will receive back any of their original investment or that the Shares will not trade at a discount to their Net Asset Value and similarly no express or implied guarantee is given that the amount realised (if any) on the Shares will reflect the net asset value of the underlying assets of the Group. An investment in the Company is 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 Group, (ii) for whom an investment in the Company is part of a diversified investment programme and (iii) who fully understand and are willing to assume the risks involved in such an investment programme.

An investment in the Company involves a high degree of risk. Investors are referred to the risks set out below. The Directors believe that the risks described below are the material risks relating to the Company and the Shares at the date of this Prospectus. Additional risks and uncertainties not currently known to the Directors, or that the Directors consider to be immaterial at the date of this Prospectus, may also have an adverse effect on the Group's business. Potential investors should review this Prospectus carefully and in its entirety and consult with their professional advisers before making an application to invest in the Company.

RISKS RELATING TO THE COMPANY

The Company is a newly established investment company and has no operating history

The Company was incorporated on 14 August 2012 and has not yet commenced operations. The Company does not have any operating history, historical financial statements or other meaningful operating or financial data with which investors may evaluate the Company, the performance of the investments that the Group intends to make or the effectiveness of the Company's investment strategy as a whole. An investment in the Company is, therefore, subject to all of the risks and uncertainties associated with any new business, including the risk that the Company will not achieve its investment objectives and that the value of any investment could decline substantially.

The historical performance and illustrative investment portfolio information in the Prospectus may not be indicative of the Company's future performance or investment portfolio

This Prospectus includes information regarding the historical performance of third party investment managers with whom the Group may invest and an illustrative investment portfolio. Such information is intended to be illustrative only of the historical performance of the types of investments that the Group may make and the investment allocations that the Group may make for its initial investment portfolio following Admission. The Company has no investment history and there can be no guarantee that the Company will invest in any funds managed by the third party investment managers listed in this Prospectus. As such, this information may not be indicative of the Company's future performance or actual investment portfolio from time to time and provides no assurance that the Company will meet its investment objectives generally or avoid losses. Past performance may not be an accurate predictor of future performance or returns, nor is there any guarantee that future market conditions will allow for similar performance.

The previous experience of such third party investment managers may not be directly comparable with the performance potential of the Group's intended investments. Differences between the Group and the circumstances in which the track record information in this Prospectus was generated include (but are not limited to) all or certain of: actual acquisitions and investments made, investment objectives, fee arrangements, structure, terms, leverage, performance targets and investment horizons. All of these factors can affect returns and impact the usefulness of performance comparisons and as a result, none of the historical information contained in this Prospectus is directly comparable to the Offer or the returns which the Company may generate.

Prospective investors should not consider the illustrative portfolio or any information containing or derived from the illustrative portfolio to be indicative of the Group's future investment portfolio or its eventual performance. In particular, the investment allocations made to form the illustrative portfolio may not be available at the time of investment of the Group's assets and market conditions

or the performance of specific investment opportunities may change such that the Management Team invests the Group's assets in a different way from that which they would do as at the date of this Prospectus. Further, adjustments may be made to the spread of investments in the Investment Portfolio following the making of the Group's initial actual investments with the result that the exact composition of the Group's intended longer term fully invested portfolio may not be known for between six to twelve months following Admission. The Group's investment portfolio will change over time as the Group realises existing investments, responds to changing market conditions and takes advantage of new investment opportunities that are not available at the time of Admission. As such, the Group's investment portfolio may be materially different from the illustrative portfolio depicted in this Prospectus.

An investment in the Company is subject to all of the risks and uncertainties associated with an investment in a fund of the Company's type, including the risk that the Company will not achieve its investment objective and that the value of the Shares could decline substantially.

Dependence on Tom Henderson and others

Tom Henderson and the other employees of the General Partner have each agreed to work for the Group without remuneration from the Group, and Tom Henderson will also meet certain running costs of the Group up to an amount equal to £210,000 per annum. Tom Henderson may terminate the Expenses Deed at any time on 12 months' notice, or immediately in certain specified circumstances. See Part VII of this Prospectus under the section "*Additional Information – Material Contracts – Expenses Deed*" for further details of these arrangements. There is no obligation on Tom Henderson to provide support in relation to the appointment of new management prior to any decision to cease to be involved with the Group. In addition, Tom Henderson has a developed network of contacts in the asset management industry, from which many of the Group's investment opportunities have arisen. Should Tom Henderson cease to be involved with the Company, it may be more difficult for the Group to source investment opportunities, including on a "gross return" basis. The Company is subject to the risk that Tom Henderson or certain other employees will cease to be involved with the Group and that no suitable replacement will be found who is willing to work without remuneration from the Group and/or to pay the same Group expenses, which could have a material adverse impact on the ability of the Group successfully to implement its investment policy and as such on the Company's business, results of operations and/or financial condition. In addition, should Tom Henderson cease to be involved with the Company and the Directors be unable to recommend alternative arrangements for the management of the Company's investments, the Directors may be obliged to put proposals to Shareholders regarding the discontinuance of the Company.

The Group's investment decisions will be taken by a newly formed management entity

Tom Henderson and certain other employees of the General Partner will make investment decisions for the Limited Partnership, the Group's investment vehicle. These employees have a limited performance history in operating publicly traded investment companies and limited experience managing certain of the strategies expected to be deployed by them as part of the Company's investment policy, which could have a material adverse impact on the ability of the Company successfully to implement its investment policy and as such on the Company's business, results of operations and/or financial condition. Accordingly, investment in the Company may involve a greater degree of risk than an investment in an entity with more established investment managers.

Suitable investment opportunities may be difficult to locate as a result of the Company's requirement that investments are made on a "gross return" basis, which may reduce the opportunities available to the Group for investment

The success of the Group's investment activities depends on its ability to identify investment opportunities which offer the potential for a high rate of growth and return on a "gross return" basis. No assurance can be given that the Group will in future be able to locate sufficient suitable investment opportunities in which to invest all of the Group's assets on a basis consistent with the Company's investment policy.

The Group's requirement that it invests on a "gross return" basis (i.e. on a basis that any investment made by the Group either (a) will not be subject to any management or performance fees or (b) will be made on the basis the Group is effectively reimbursed the amount of any such fees by rebate, donation back to the Group or other retrocession arrangements) may reduce the opportunities that it has for investment, as this will depend on the cooperation of the managers of the underlying funds in which it wishes to invest. Further, it may be that in future the best performing investment

opportunities or access to the best performing investment managers are not available on a basis which is consistent with the Company's investment policy and the Group will accordingly have to make less optimal investments in line with that policy or consider returning cash to Shareholders. In addition, individual investment managers may at any time cap the amount of capital that they are willing to accept from the Group on a "gross return" basis. This may mean that the Group may not be able to pursue its optimal investment strategy. There can be no guarantee that sufficient capacity will exist in suitable asset classes or investment sectors to allow the Group appropriately to diversify its underlying investments on an ongoing basis. Further, to the extent the Group retains cash for any period it may be unable to identify short term or near-cash investment opportunities in which to invest that cash on a "gross return" basis and accordingly may have to place such funds on deposit at a lower rate of return.

Failure by the Group to maintain full investment of its capital or to make investments which generate a suitable return could have a material adverse effect on the Group's business, results of operations and/or financial condition and on the amount that the Group is able to donate to the ICR and The BACIT Foundation ("BACIT Foundation").

The Investment Opportunities listed in Part II of this Prospectus are not subject to any contractual commitments and may be withdrawn at any time

The Investment Opportunities set out in Part II of this Prospectus represent offers of capacity on a "gross return" basis made to the Group as at the date of this Prospectus. The Group has entered into no contractual commitment with any underlying manager in relation to any Investment Opportunity, and accordingly there can be no guarantee that any or all of the underlying managers will not revoke their offer of capacity prior to investment of the Offer Proceeds, which could adversely impact the investment performance of the Group.

The willingness of investment managers to make gross return access available to the Group and to continue to do so may depend on a variety of factors, including the investment managers being satisfied that the Group is continuing to provide philanthropic support to charitable causes of which those investment managers approve

Each investment manager who is providing gross return access to the Group is doing so on the basis of the Group's proposed philanthropic support, including in relation to the Group's arrangements with the ICR. There can be no guarantee that the ICR or any other charity will continue its arrangements with the Group indefinitely. If any such arrangements were to terminate, investment managers may decide to withdraw gross return investment access from the Group. Further, no investment manager is compelled to provide gross return investment access to the Group in any event and, subject to the specific terms on which any investment is made by the Group with that investment manager, such access may be withdrawn by the investment manager at a future time, irrespective of the Group's philanthropic relationships.

The Group will undertake limited investment and no operational due diligence in connection with its investments and potential investments

When making an assessment regarding an investment, the Group will be required to rely on resources available to it, information provided by the underlying investment manager and the experience of its employees in respect of its due diligence on the relevant investment and investment manager. Access to the relevant investment manager may also be effectively constrained on the basis that the manager is making an opportunity available to the Group on a basis consistent with the Company's investment policy. In particular the Group has not, and does not propose to, conduct operational due diligence on investment managers and investee funds (i.e. a detailed review of the relevant entity's systems and controls and service providers). There can be no assurance that the Group will discover all relevant facts that may be necessary or helpful in evaluating its investment opportunities, or that past performance information in relation to an investment manager, fund or strategy will be indicative of future performance. Further, there is a risk that failure to perform operational due diligence may expose the Company to loss from operational deficiencies or fraud at the level of underlying investments.

The Group's obligation to make charitable donations may adversely impact its investment performance

The Group's obligation to make the Annual Donation and any decision to finance drug development and medical innovation projects may require it to realise investments in circumstances in which it otherwise might not choose to do so, or to realise certain investments that are better performing or more liquid than others, which may in either case depress the future investment performance of the

Group (and the amount of its future capital growth and its future capital contributions) and, by extension, NAV and the price of the Shares.

Further, there may be restrictions on the manner in, and timing by, which the Group can realise its investments, either at all or without payment of significant penalties, including restrictions imposed by contract, laws and constitutional documents applicable to the entities in which it invests and the timing and amount of cash generated by its investments. In particular, private equity and real estate investments can be long-term and subject to significant restrictions on the ability of investors to realise the value of their investments. To the extent that the Group is required to redeem investments in these circumstances or make penalty payments in order to satisfy liquidity requirements, the investment performance of the Group could potentially be adversely impacted.

No guarantee is given that any dividend on the Shares will be paid by the Company, whether at the anticipated rate or at all

No guarantee is given that any dividend on the Shares will be paid by the Company, whether at the anticipated rate or at all. The amount of any distributions by the Company will depend on the performance of the Group's underlying investment portfolio and the ability of those underlying investments in the aggregate to make distributions or to be redeemed. Further, the Company's ability to pay dividends will be subject to the provisions of the Companies Laws. To the extent that there are impairments to the value of the Group's underlying investments or losses suffered by the Group, this may affect the profitability of the Company and the ability of the Company to pay dividends. In addition, any change in accounting policies, practices or guidelines relevant to the Company or any underlying investment may reduce or delay dividends received by investors. To the extent that any dividend may be declared, this will be made at the discretion of the Directors and will depend on the Company's earnings, financial condition and such other factors as the Directors may deem relevant from time to time, including limitations under Guernsey company law. There can be no assurances that the Company will be able to pay dividends in any period or will choose to do so.

There can be no assurance that any target returns will be achieved

The target return set out in this Prospectus is a target only (and, for the avoidance of doubt, is not a profit forecast). There can be no assurance that the Company will meet such a target, or any other level or return, or that the Company will achieve or successfully implement or achieve its investment objective. The existence of the target return figures should not be considered as an assurance or guarantee that they can or will be met by the Company. Although the target return is presented as a specific range, the actual returns achieved by the Company may vary from the target return and these variations may be material. The target return range is based on the Management Team's assessment of appropriate expectations for returns on the investments that the Company proposes to make. There can be no assurance that these assessments and expectations will be proved correct and failure to achieve any or all of them may materially adversely impact the Company's ability to achieve the target return. In addition, the target return figures are based on estimates and assumptions regarding a number of other factors, including, without limitation, asset mix, holding periods, the availability of investments and the absence of material adverse events affecting specific investments including economic and market conditions, changes in law, taxation, regulation or governmental policies either generally or in specific countries in which the Group may invest or may seek to invest. Many, if not all, of these factors are (to a greater or lesser extent) beyond the Company's control and all could adversely affect the Company's ability to achieve the target return. Failure to achieve the target return could, among other things, have a material adverse effect on the Company's share price. Potential investors should decide for themselves whether or not the target return is reasonable or achievable in deciding whether to invest in the Company.

The values at which the Company reports investments from time to time will depend on information provided by third parties and may not be realised on disposal or redemption of those investments

With respect to a majority of its portfolio, the Group will be relying on valuations provided by the investment manager or administrator of the relevant underlying investment in determining the value of the investment and there is no guarantee that such valuations will be realised. Where the Group makes unlisted investments, there may be no visible market price or other means to verify the valuations put on the Group's holdings. In addition, underlying investment managers may report values infrequently with the result that changes to the value of underlying investments may not be reflected in NAV for a significant time after the change takes place. Valuations are inherently subjective and subject to uncertainty and are made on the basis of assumptions which may not prove

to be accurate. Incorrect assumptions or flawed assessments underlying any valuations of any of the Group's investments could negatively affect the Group's financial condition. In addition, if the Group decides to make investments based on inaccurate valuations, the Group's net assets and results of operations may be materially adversely affected.

The Company's Net Asset Value could be adversely affected if the values of investments that the Group records are materially higher than the values that are ultimately realised upon the disposal or redemption of the solvent investments. Further, changes in values attributed to investments from period to period may result in volatility in the Net Asset Values and results of operations that the Group reports from period to period.

The Group's investment portfolio will change over time and capital may not always be fully invested

The Group's investment portfolio will change over time as it realises existing investments and responds to new opportunities as they arise. It may not always be possible or desirable from time to time to invest the Group's capital fully in appropriate investments which fulfil the Group's investment criteria, particularly given the requirement that investment are made on a "gross return" basis, particularly regarding fees. Further, some of the Group's investments may be made on a "committed" basis, meaning that the underlying investment manager will only invest the capital committed by the Group to that investment on an as-needed basis. All of these factors may depress the Company's investment returns.

The use of leverage, in particular by the Group's underlying investments, may significantly increase the Group's investment risk

Subject to certain limitations, the Group may use leverage. In addition, the Group will not attempt to impose any limitations on the use of leverage by the funds in which, or the investment managers with which, it invests.

The Group will only seek to use leverage in a manner it believes is prudent, although it generally will not be able to control the use of leverage by any fund in which it invests, and any such use of leverage by the Group or underlying funds or investment managers will increase the exposure of the Group to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the Group's portfolio and the underlying investments of such funds or managers. Further, failure to repay any borrowings could result in enforcement by lenders of security interests, which could have a material adverse effect on the value of an investment, and the Company's Net Asset Value and/or its share price.

Changes in law or regulations, or a failure to comply with any laws and regulations, may adversely affect the Group's business, investments and performance

Any change in the laws and regulations affecting the Group or any changes in applicable laws and regulations generally may have an adverse effect on the ability of the Group to carry on its businesses and pursue its investment policies. In particular, if a financial transactions tax were implemented in the European Union, this may have an adverse impact on the value of investments held by the Group owing to the significant number of financial transactions that may be undertaken by certain of the funds in which the Group invests. In such event, the investment returns of the Group may be materially adversely affected.

For regulatory, tax and other purposes, the Company and the Shares may not be treated in a similar way in different jurisdictions. For instance, in certain jurisdictions and for certain purposes, the Shares may be treated as more akin to holding units in a collective investment scheme. Furthermore, in certain jurisdictions, the treatment of the Company and/or the Shares may be uncertain or subject to change, or it may differ depending on the availability of certain information or disclosure by the Company of that information. The Company may be subject, therefore, to financially and logistically onerous requirements to disclose any or all of such information or to prepare or disclose such information in a form or manner which satisfies the regulatory, tax or other authorities in certain jurisdictions. Failure to disclose or make available information in the prescribed manner or format, or at all, may adversely impact Shareholders in those jurisdictions.

The probable impact of the European Union's Alternative Investment Fund Managers Directive on the Group is currently uncertain and may remain so for some time but may result in considerable cost or other burdens for the Group and its investments

The European Commission published the Alternative Investment Fund Managers Directive (the "AIFM Directive"), designed to regulate managers of private equity, hedge and other funds, on 1 July

2011. The AIFM Directive may have significant consequences for the Group and may materially increase compliance, regulatory, operational and administrative costs of the Group and its investments. The deadline for transposition into the national law of each EU member state of the AIFM Directive is 22 July 2013. However, a significant amount of secondary legislation is due in respect of the AIFM Directive. The full implications of the AIFM Directive for the Group will only become clearer once such legislation is adopted, and the Group will continue to monitor its progress and likely implications. In particular, there is continuing debate on the so-called “third country provisions” of the AIFM Directive, which may materially affect the Company as it is established in Guernsey (which is not part of the EU).

The global nature of its investment policy may expose the Group to a variety of economic, political, legal and accounting risks

The Group may invest in investment funds that have exposure to a variety of countries, including less developed countries, exposing investors to a range of potential economic, political and legal risks, which could have an adverse effect on the Group. These may include, but are not limited to, declines in economic growth, higher rates of inflation, deflation, adverse fluctuations in currency exchange rates, currency revaluation and exchange controls, nationalisation, expropriation, imposition of taxes imposed by taxing authorities, confiscatory taxation, adverse regulation, less liquid markets, less available current information about an issuer, higher transaction costs, less governmental supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, less stringent requirements relating to fiduciary duties, fewer investor protections, greater price volatility, governmental restrictions, negative diplomatic developments, social or political instability, military conflicts and terrorist attacks.

The Group is permitted to invest in funds and investments established in jurisdictions where no or limited supervision is exercised by regulators. Further, the efficiency of any supervision may be affected by a lack of precision of investment and risk diversification guidelines applicable to, and the flexibility of the investment strategy pursued by, such funds.

The legal, regulatory, disclosure, accounting, auditing and reporting standards in countries where the Group’s investments are made may be less stringent and may not provide the same degree of protection or information to investors as would generally apply in Guernsey or a Shareholder’s own domicile. Although the Company itself will be preparing its accounts in accordance with IFRS, the assets, liabilities, profits and losses appearing in published financial statements of certain of the Group’s investments may not reflect their financial position or operating results as they would be reflected under IFRS.

Any or all of the foregoing risks could result in the occurrence of events that have a material adverse effect on the value of the Group’s investments, which could reduce the value of the Shares, NAV and the Group’s net income and may also reduce the Company’s ability to pay dividends.

Fluctuations in currency values may adversely affect the value of the Group’s investments

The Company’s shares are denominated in Sterling. The Group’s investments may be made in a number of different currencies, including US dollars, Euros and Australian and Canadian dollars, thereby exposing Shareholders to currency risk. In addition, some or all of the underlying funds in which the Group invests may also be exposed to currency risk.

Any returns on and the value of any such investments may, therefore, be materially affected by exchange rate fluctuations and, possibly, local exchange controls, limited liquidity of the foreign exchange markets, the convertibility of the currencies in question and/or other factors, including restrictions on the repatriation of such returns and political and economic developments in the relevant countries.

Accordingly, a decrease in the value of, the currencies in which the Group’s investments are denominated against Sterling may adversely affect the Group’s financial condition and results of operation with a consequential adverse effect on NAV. In addition, the Group may incur costs in connection with conversion between various currencies, which would reduce its profitability. The Group may decide to enter into hedging arrangements in respect of all or some currency risks, but it may not be possible or practicable to hedge currency risk exposure either fully, partially or at all, or on a basis that makes economic sense.

The Company may be affected by events connected to the international financial markets

The default by a member of the Eurozone on its government debt may have a material adverse effect on the value of the Euro and on the economies of its member states. As at the date of this Prospectus, it is unclear to what extent the economies and political structure of European states, including the UK, may be affected by the financial crisis within the Eurozone and the measures that may be taken by state and supranational governmental organisations to address that crisis. The continued existence of the Euro as a currency in its current form is not certain. Should any of the foregoing events materialise, it is likely that they would have an adverse impact on the performance of certain of the portfolio investments which, in turn, would have an adverse effect on returns to Shareholders.

The implementation of the Solvency II Directive in the European Union could result in the introduction of restrictions on insurance and reinsurance companies investing in the Company which could have an adverse effect on the trading price and/or liquidity of the Shares

On 5 May 2009, the European Council approved a new insurance directive, Directive 2009/138/EC, which seeks to revise the regulation and authorisation of insurance and reinsurance companies (the “**Solvency II Directive**”). The Solvency II Directive will set out new, EU-wide requirements on capital adequacy and risk management for insurance and reinsurance companies. Although the regulations implementing the Solvency II Directive have not yet been published, there can be no assurance that such regulations, and therefore the legislation implementing the Solvency II Directive in individual EU member states, will not restrict the ability of insurance and reinsurance companies in the EU to invest in investment companies such as the Company. To the extent that, as a result of the implementation of the Solvency II Directive, such companies are prevented from acquiring the Shares and/or are required to dispose of any Shares held, this could have an adverse effect on the trading price and/or liquidity of the Shares.

Any decision to wind-up the Company may take a significant length of time to implement

The Company has been established with an indefinite life. However, the Company’s Articles provide that Shareholders will be entitled to vote on the discontinuation of the Company every five years, starting with the annual general meeting in 2017 and at every fifth annual general meeting thereafter. If the resolution is passed, the Directors will formulate proposals to be put to Shareholders within six months of such resolution being passed for the reorganisation or reconstruction of the Company. Similarly, should Tom Henderson cease to be involved with the Company, the Directors will put proposals to Shareholders for other management arrangements for the Company or alternatively to provide for the discontinuance of the Company.

While there can be no assurance that passing a discontinuation vote or the departure of Tom Henderson will necessarily result in the winding up of the Company or liquidation of all or some of its investments it should be noted that, in light of the probable profile of the Group’s portfolio and the long term nature of certain of its investments, any decision to wind up the Company or liquidate the Group’s portfolio may take a significant length of time to implement (and could possibly exceed the time in which the Company had been in existence prior to any such decision being taken). Such a delay may result in a material adverse change in the valuation of certain investments in the period between the date on which the winding-up or liquidation is approved and the date on which such investments are realised. Such a change may have a material adverse effect on the amount of capital that is returned to investors prior to the winding up of the Company.

The Management Team and the Directors may have conflicts of interest

Not all members of the Management Team will work full time for the Group. The Directors and members of the Management Team may from time to time, in their sole discretion, act as managers or investment advisers to other investment funds or to other clients. They may also make investments, either in a personal capacity, or on behalf of other clients, with managers or in investments with or in which the Group also invests. It is therefore possible that Directors and members of the Management Team could from time to time have potential conflicts of interest with the Group, which may adversely impact the investment performance of the Group.

The Group is reliant upon the provision of services by third party service providers in order to carry on its business and a failure by one or more service providers could materially disrupt the business of the Group or impact detrimentally on its investment performance

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company is, therefore, reliant upon the performance of employees of the General Partner and third party service providers for the performance of certain functions. In particular, the Administrator and the Registrar will be performing services which are integral to the operation of the Group. Failure by any service provider to carry out its obligations to the Group in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Group and could affect the ability of the Group to meet its investment objectives.

In the event that it is necessary for the Group to replace any third party service provider it may be that the transition process takes time, increases costs and adversely impacts its operations and/or its investments and performance.

RISKS RELATING TO THE FUNDS-OF-FUNDS STRUCTURE

The Group's investments will be affected by the investment policies and decisions and other activities of its underlying investment managers

Because the Group will invest its assets with underlying investment managers, an investment in the Company will be affected by the investment policies and decisions of the underlying investment managers in direct proportion to the amount of the Group's assets that are invested, directly or indirectly, with each underlying investment manager. The value of the investments with specific investment managers and, as a result, the Net Asset Value of the Company, will fluctuate in response to, among other things, various market and economic factors related to the markets, asset classes and investments in which the relevant investment manager invests. Although it will monitor the performance of its investments, the Group will have little or no control over the activities of the investment managers with which it invests. Besides the Group having little or no control over the investment decisions and strategies of those underlying investment managers, the Group will also be subject to the risk of material losses due to the fraud, illegal or unauthorised activities of such persons, as well as the failure of the underlying investment managers to execute their own investment strategies successfully.

The Group's investments may be concentrated with one or more underlying investment managers or in one or more investment sectors

Although the Group's capital will generally be diversified among multiple underlying investment managers, it may be that, from time to time, subject always to maintaining an adequate spread of investment risk pursuant to the requirements of the Listing Rules and the Company's investment policy, a relatively large percentage of the Group's assets may be invested with one or more underlying investment managers. In addition, a relatively large percentage of the Group's assets may be invested with underlying investment managers in a single investment sector. Greater concentration with any single underlying investment manager or in any single investment sector may entail additional risks and may subject the Net Asset Value of the Company to more pronounced changes in value than would be the case if the assets of the Group were more widely diversified.

While the Group's capital may be invested with underlying investment managers that use diversified investment strategies, there can be no assurance that market or other events will not have an adverse impact on the strategies employed by multiple underlying investment managers. Underlying investment managers may at certain times hold large positions in a relatively limited number of investments and may target or concentrate their investments in particular markets, sectors, or industries. Those underlying investment managers that concentrate on a specific industry or target a specific sector will also be subject to the risks of that industry or sector, which may include, but are not limited to, rapid obsolescence of technology, sensitivity to regulatory changes, minimal barriers to entry and sensitivity to overall market swings. As a result, the net asset values of underlying funds managed by such underlying investment managers may be subject to greater volatility than those of investment vehicles that are subject to diversification requirements, and this may negatively impact the Company's Net Asset Value.

In addition, greater concentration of underlying investment managers may increase the adverse effect on the Group of any problems experienced by a specific underlying investment manager (including without limitation any suspension of redemptions by such underlying investment manager), since a significant portion of the Group's assets may be invested with the underlying investment manager.

There may be delays in implementing any proposed change in investments between underlying investment managers or investment strategies

The Group may at certain times be unable to make changes in investments among the underlying investment managers or investment strategies as is determined is advisable in order to achieve the Group's investment objective due to a number of factors including, without limitation, the availability of appropriate access in sufficient quantities, minimum holding periods or restrictions on redemptions imposed by the underlying funds or underlying investment managers. If imbalances in the investments occur because the Group is unable to make changes on a timely basis, losses occurring as a result could cause the Group to suffer significantly greater losses than would be the case if the Group's investment goals had been achieved.

The Group's investment strategy contains no limitations on the types of securities or financial instruments in which the underlying funds may invest

The Group will not impose any limitations on the types of securities or other financial instruments which may be acquired or utilised by the underlying funds in which the Group invests. The funds and accounts in which the Group invests may follow a wide range of investment policies and strategies and may be permitted to borrow and invest in long and short positions in equities and fixed income securities (whether quoted or unquoted), options, warrants, futures, commodities, currency forwards, over the counter derivative instruments (such as swaps), securities that lack active public markets, private securities, repurchase agreements, preferred stocks, convertible bonds, other financial instruments and real estate, as well as cash and cash equivalents.

The terms of the Company's agreement with the ICR requires that the Group does not knowingly make any investment which contravenes the ICR's investment restrictions regarding tobacco related investments. The Group will notify the managers of its underlying investments of this restriction but may not be able to ensure that it is observed by all such managers. Failure to observe this restriction could lead to the ICR terminating its association with the Company, which could lead to managers of the underlying investments withdrawing investment capacity.

Underlying investment managers may make frequent trades in securities and other investments

It is expected that certain underlying investment managers will make frequent trades in securities and other investments. Frequent trades typically result in high transaction costs. In addition, underlying investment managers may invest on the basis of short-term market considerations. The turnover rate within the underlying investment managers may be significant, potentially involving substantial brokerage commissions and fees. The Group will have no control over this turnover. It should be noted that high turnover of investments can increase the likelihood that an underlying investment manager is held to be "trading" rather than "investing" which can, depending upon the investment structure adopted by the underlying investment manager, result in adverse tax consequences for the underlying investment manager and the relevant underlying fund. Any such adverse tax consequences could reduce the income and gains received by the Group from its investment in such underlying fund and, as such, have an adverse effect on the Company's business, results of operations and/or financial condition.

Underlying investment funds may invest in below investment grade securities

Underlying investment funds may invest in bonds or other fixed income securities, including "high yield" (and, therefore, high risk) debt securities. These securities may be below investment grade and will be subject to uncertainties and exposure to adverse business, financial or market conditions which could lead to the issuer's inability to make timely interest and principal payments and which could accordingly have a material adverse impact on the return to the Group on its investment in an underlying investment fund and as such on the Company's business, results of operations and/or financial condition.

Underlying investment managers will invest independently and may compete or pursue similar investment strategies

Underlying investment managers will invest wholly independently of one another. Managers may at times hold economically offsetting positions. To the extent they do so, the Group's portfolio, considered as a whole, may not achieve any gain or loss. Furthermore, it is possible that from time to time, various underlying investment managers used by the Group may be competing with each other for the same positions in one or more markets. Conversely, managers may pursue similar

strategies. In such a situation the diversification of the Group's portfolio between different managers may be ineffective in limiting its exposure to such strategies.

Risks relating to the businesses of underlying investment managers

The nature of, and manner in which, an underlying investment manager conducts its business may expose the Group to risks in relation to the value of the investments that it makes with such managers. For instance, the investment performance of certain investment managers may be substantially dependent on the services of a number of key individuals and the failure of those key individuals (for whatever reason) to remain involved with the Group's investments may lead to loss. In addition certain investment managers may hold relatively few investments or may hold significantly correlated investments which may be subject to significant and rapidly occurring losses in certain situations. Further, certain investment managers may be subject to conflicts of interest that are not resolved in the Group's best interests, for instance, if proprietary trading is favoured over third party investment activities.

The Group may indemnify underlying investment managers and indemnification obligations may adversely affect performance

The Group may be required to indemnify, directly or indirectly, certain underlying investment managers or funds, and their respective officers, directors, and affiliates, from certain liabilities, damages, costs, or expenses arising out of or in connection with its investment with that manager or fund, including following realisation of the investment. In addition, underlying funds in which the Group invests may also agree to indemnify their own investment managers and their respective officers, directors, and affiliates. Any such indemnification obligations incurred directly or indirectly by the Group may adversely affect the Company's performance.

Underlying investment manager redemption holdbacks and other underlying fund liquidity restrictions may adversely affect the Group

From time to time, the Group may be unable to liquidate its assets as it otherwise deems advisable due to a number of factors including, without limitation, minimum holding periods and restrictions on redemptions imposed by underlying funds or underlying investment managers. Further, for various reasons, including the suspension or delay in payment of redemption proceeds by underlying funds or the holdback of redemption proceeds otherwise payable to the Group until after the applicable underlying fund's financial records have been audited, the Group may not receive redemption proceeds promptly. Therefore, the Group may hold receivables that may not be paid to the Group for a significant period of time, may not accrue any interest and ultimately may not be paid to the Group (as a result of post-audit adjustments or for other reasons). In addition, in cases where an underlying fund limits or reduces the Group's redemption request, the Group may continue to have investment exposure to an underlying fund or underlying investment manager that it would otherwise have redeemed. All of those factors could have an adverse effect on the performance of the Company.

It may be difficult for the Group to access certain investment funds particularly in light of the Company's status as a public vehicle.

Certain investment managers frequently seek to limit or prohibit the public dissemination of information regarding their investments. Since the Company will be a publicly listed investment vehicle with certain ongoing public reporting obligations, particularly with respect to its portfolio, the Group may be excluded from certain investment opportunities if investment managers are not prepared to permit disclosure of information required to meet the Company's public reporting obligations.

The Group will be exposed to counterparty risk through its investments

The Group will be exposed to counterparty risk, both in respect of its own service providers and in respect of the service providers and other counterparties of the funds in which it invests. The Group will have no direct control over any such persons.

Each of these counterparties will themselves be subject to operational risks, which can arise from inadequate or failed processes, people, systems, credit risks or from external factors that could materially affect their performance obligations to the Group. Failure by any counterparty to perform as expected may cause the Group to suffer losses, which may be material.

The Group may be exposed to systemic risk

Within the banking industry the default of any institution can lead to defaults by other institutions. Concerns about, or default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, because the commercial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. This risk is sometimes referred to as “systemic risk”. Systemic risk may adversely affect prime brokers dealt with by funds included in the Group’s portfolio. The Group may, therefore, be indirectly exposed to systemic risk through its investment dealings with a potentially large number of prime brokers and custodians whose creditworthiness may be interlinked and such risk to the Group is increased owing to the fund-of-funds structure employed in its investment portfolio.

Underlying managers may not provide proprietary information requested by the Management Team

Underlying managers may not wish to, and may not be under any obligation to, provide proprietary information that the Management Team believes it requires adequately to analyse the results and prospects of that investment. Any such restriction on information may impair the ability of the Management Team to assess its investments and adversely affect the ability of the Group to determine the most appropriate or successful investment opportunities and accordingly adversely impact its ability to achieve its investment objective.

RISKS RELATING TO THE NATURE AND CHARACTERISTICS OF THE GROUP’S INVESTMENTS

Acquisition of the Group’s initial investments

The Group intends to invest or commit the proceeds of the Offer (net of the formation and initial expenses of the Company and its subsidiaries and subsidiary undertakings and the Company’s short term working capital requirements) on as timely a basis as is prudent in light of prevailing market conditions following Admission and thereafter to remain substantially fully invested or committed at all times.

It may not be possible to fully-invest the net proceeds of the Offer immediately following Admission and the Group may have to wait until the next applicable closing date or subscription date for access to specific underlying funds.

In addition, it may be that the Group is unable to make certain of its anticipated investments, especially in the case of a limited number of funds that are yet to commence operations. In this case, the Group may have to locate other suitable short-term investments to make on a basis consistent with the Company’s investment policy prior to making those longer-term investments. If the Group is unable to make any or all such investments, its returns may be depressed.

Investing in drug development and medical innovation projects is very speculative

The Group may invest up to one per cent. per annum in drug development and medical innovation projects. The provision of risk capital to finance drug development and medical innovation projects is very speculative and there can be no guarantee of any return. The projects in which investments are made may not prove to be successful or may not prove to have any commercial application. Further, even projects which are successful may not generate any meaningful returns for many years. All of these factors could suppress the Company’s investment return and ability to grow NAV. The commitment of one per cent. per annum of NAV could also create permanent reductions in NAV. If the Company is wound up, there may be no potential purchasers for the Group’s risk capital investments, either at all or at a price that would match the Group’s valuation of the relevant investment(s).

Investments which operate on a “committed capital” basis

Certain investments made by the Group (especially in private equity funds) may be made on a “committed” basis, whereby the Group agrees to contribute a certain amount to a fund, but the relevant cash is not called by the investment manager of the fund before it is required to finance the acquisition of an underlying investment. Accordingly, the Group will not start to earn a return on the cash committed to such a fund until it is called by the investment manager of the relevant fund unless it can invest that cash elsewhere in the intervening period.

Many of the investments will be illiquid and long-term and may not be readily realisable

Many of the investments included from time to time in the Investment Portfolio will be illiquid and long-term, for instance, they may not be capable of being realised for a period in excess of five years. It may be that certain of such investments could be sold in advance of such a time frame, but not necessarily at an attractive price. Accordingly, although the Company has in place measures which may limit its life in certain circumstances, it may not be possible to realise all of the Group's investments speedily (or at all) if a decision were to be taken to wind up the Company.

The following are certain risks related to specific asset classes in which the Group plans to invest.

Private equity investments

The following are certain risks related to the fact that the Group may invest in private equity funds.

Long-term nature of private equity investments

Investments in private equity funds can require a long-term commitment of capital. Further, there may be a significant amount of time before private equity funds invest all their committed capital. Once such investments are made, it may take some years for them to reach a stage of maturity at which realisation can be achieved. It is therefore possible that the Group may not receive a return on such investments made by it for a number of years. In addition, a substantial amount of the Group's investments, and of investments made by private equity funds in which the Group invests, may be subject to legal and other restrictions on resale or may otherwise be less liquid than publicly traded securities. The illiquidity of these investments may make it difficult to sell investments if the need arises or if the Group determines such sale would be in the Group's best interests. In addition, if the Group needed to liquidate all or a portion of a private equity investment quickly, the Group may realise significantly less than the value at which the investment was previously recorded, which could result in a decrease in NAV.

Private equity investments are subject to a number of significant risks.

Private equity investments can involve a number of significant risks:

- the market for private equity investments is subject to fluctuations and may significantly diminish owing to changes in interest rates, the availability of financing (including senior, mezzanine and high yield debt) and general market conditions; a disruption in the market for private equity investments could cause the Group's investment strategy to fail;
- companies in which private equity investments are made are often dependent on the management talents and efforts of a small group of persons and, as a result, the death, disability, incapacity, resignation, termination or otherwise of one or more of those persons could have a material adverse impact on their business and prospects and the investment made;
- companies in which private equity investments are made generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position;
- generally limited public information exists about companies in which private equity investments are made and investors in those companies generally must rely on the ability of the equity sponsor to obtain adequate information for the purposes of evaluating potential returns and making a fully informed investment decision; and
- if the Group were to receive distributions in kind from any of its private equity investments, the Group would incur additional risks in disposing of such assets.

Private equity investments may be in companies that are highly leveraged

Private equity investments are often in companies whose capital structures have a significant degree of leverage. In addition, companies that are not or do not become highly leveraged at the time an investment is made may increase their leverage after the time of investment. Investments in highly leveraged companies are inherently more sensitive to declines in revenues, increases in expenses and interest rates and adverse economic, market and industry developments. In addition, the incurrence of a significant amount of indebtedness by a company may:

- give rise to an obligation to make mandatory prepayments of debt using excess cash flow, which may limit the company's ability to respond to changing industry conditions to the extent additional cash is needed for the response, to make unplanned but necessary capital expenditures or to take advantage of growth opportunities;
- limit such company's ability to adjust to changing market conditions, thereby placing it at a competitive disadvantage compared to its competitors who have relatively less debt;
- limit the company's ability to engage in strategic acquisitions that may be necessary to generate attractive returns or further growth; and
- limit the company's ability to obtain additional financing or increase the cost of obtaining such financing, including for capital expenditures, working capital or general corporate purposes.

A leveraged company's income and net assets also tend to increase or decrease at a greater rate than would otherwise be the case if money had not been borrowed. As a result, the risk of loss associated with a leveraged company is generally greater than for companies with comparatively less debt.

Hedge funds

The following are certain risks related to the fact that the Group may invest in hedge funds:

Short selling may expose underlying investment managers to theoretically unlimited losses if prices rise

Underlying hedge fund managers may engage in short selling. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in the value of securities. A short sale creates the risk of a theoretically unlimited loss for an underlying hedge fund manager, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the security necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

There is also a risk that the securities borrowed in connection with a short sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the securities are receiving similar requests, a "short squeeze" can occur, and it may be necessary to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

These risks could have a material adverse impact on the return to the Group on its investment in an underlying hedge fund and as such on the Company's business, results of operations and/or financial condition.

Underlying hedge funds may be exposed to counterparty risk

The Group may be exposed to the credit risk of the counterparties with which, or the brokers, dealers and exchanges through which, underlying hedge fund managers deal, whether they engage in exchange-traded or off-exchange transactions. In particular, because certain financing arrangements and derivative transactions in which hedge funds engage are not traded on an exchange but are instead traded between counterparties based on contractual relationships, hedge funds are often subject to the risk that a counterparty will not perform its obligations under the related contracts.

Many of the markets in which underlying hedge fund managers effect their transactions are "over-the-counter" or "interdealer" markets. Participants in these markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. To the extent an underlying hedge fund manager invests in swaps, derivatives or synthetic instruments, or other over-the-counter transactions in these markets, the underlying hedge fund manager may take a credit risk with regard to parties with which it trades and also may bear the risk of settlement default.

The Group is also subject to risk of loss of assets placed on deposit with a broker by an underlying hedge fund manager in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the underlying hedge fund manager, or the bankruptcy of an exchange clearing house, in particular where the relevant counterparty is not required to segregate funds. These risks could have a material adverse impact on the return to the Group on its investment in an underlying hedge fund and as such on the Company's business, results of operations and/or financial condition.

The use of leverage may increase an underlying hedge fund's investment risk

Underlying hedge funds may borrow cash and employ leverage through the use of derivatives for the purpose of making investments. The use of leverage creates special risks and may significantly increase an underlying hedge fund's investment risk. Leverage creates an opportunity for greater total return but, at the same time, will increase a hedge fund's exposure to capital risk and interest costs. Changes in overall market leverage (e.g. deleveraging or liquidations by other market participants of the same or similar positions) may also adversely affect the underlying hedge fund's positions and accordingly could have a material adverse impact on the return to the Group on its investment in an underlying hedge fund and as such on the Company's business, results of operations and/or financial condition.

A hedge fund may be adversely affected by a decrease in market liquidity for the instruments it trades

A hedge fund may be adversely affected by a decrease in market liquidity for the instruments traded by that hedge fund (e.g. by impairing the hedge fund's ability to adjust its positions, balance sheet and risk in response to trading losses or other adverse developments). The size of the hedge fund's positions may magnify the effect of a decrease in market liquidity for the instruments traded by the hedge fund, which could have a material adverse impact on the return to the Group on its investment in an underlying hedge fund and as such on the Company's business, results of operations and/or financial condition.

There are generally only limited constraints on the investment strategies and techniques that can be employed by the managers of hedge funds.

As a result of its investments, the Group may incur other risks, including currency exchange risks, in respect of assets held in other currencies, tax risks in respect of assets invested in other jurisdictions and risks relating to political, social and economic factors which may affect the assets of the hedge funds in which the Group invests.

Hedge funds may invest in and actively trade instruments with significant risk characteristics, including risks arising from the volatility of securities, financial futures, derivatives, currency and interest rate markets, the leverage factors associated with trading in such markets and instruments and the potential exposure to loss resulting from counterparty defaults. There can be no assurance that a hedge fund's investment program will be successful or that the investment objective of that hedge fund will be achieved and any failure to do so could have a material adverse impact on the return to the Group on its investment in that hedge fund and as such on the Company's business, results of operations and/or financial condition.

Real estate

The following are certain risks related to the fact that the Group may invest in real estate:

Real estate risks in general

The property market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including investor/buyer supply and demand, that are beyond the control of investors.

Rental income and the market value of properties are often affected by general economic conditions and/or by the political and economic climate of the jurisdictions in which property is situated, as well as in the rest of the world. Relevant economic factors which can affect rental incomes and property values include changes in gross domestic product, rates of employment, inflation and changes in interest rates.

Any future property market recession could materially adversely affect the value of the Group's real estate investments by decreasing or delaying returns from real estate investments that are driven largely by the amount of rental income generated from portfolio properties, increasing the costs and expenses incurred in the development, maintenance and/or management of portfolio properties, or through other factors (such as increasing capitalisation rates), as well as by affecting market values.

Both rental income from, and the market value for, properties may also be affected by other factors specific to the real estate market, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the inability to lease properties on favourable terms particularly in times of economic downturn, or to agree new levels of rent, the inability to collect rents because of the bankruptcy or insolvency of tenants or otherwise, the periodic need to renovate, repair and re-let space and the costs thereof, the costs of maintenance and

insurance and increasing operating costs. In addition, certain significant expenditures, including operating expenses, must be met by the owner even when the property is vacant.

The value of any real estate investments may fluctuate as a result of factors outside the Group's control

Real estate investments are subject to varying degrees of risks. The value of the portfolio can be affected by factors outside the Group's control, including changing demand for commercial real estate, changes in general economic conditions, changing supply within a particular geographic location and the attractiveness of real estate relative to other investment choices. The value of the portfolio may also fluctuate as a result of other factors outside the Group's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, the financial condition of lessees, interest and inflation rate fluctuations and higher accounting and control expenses. In addition, the Group may not be aware of material changes in the portfolios of the funds in which it invests.

Real estate funds in which the Group invests may incur or inherit environmental liabilities in connection with properties they have acquired or which they may acquire in the future

Real estate funds in which the Group invests may be liable for the costs of removal, investigation or remediation of any hazardous or toxic substances that are located on or in a property owned or occupied by them or that are migrating or have migrated from a property owned or occupied by them. The costs of any required removal, investigation or remediation of such substances may be substantial, regardless of the identity of who originally caused the contamination. The presence of such substances, or the failure to remedy the situation properly, may also adversely affect the value of the real estate or such fund's ability to sell, let or develop the real estate or to borrow using the real estate as security. Such a fund could be required to remove or remediate any hazardous substances that it has caused or knowingly permitted at any property that it has owned or occupied in the past. Laws and regulations, which may be amended over time, may also impose liability for the presence of certain materials or substances or the release of certain materials or substances into the air, land or water or the migration of certain materials or substances from a real estate investment, including asbestos, and such presence, release or migration can form the basis for liability to third parties for personal injury or other damages. Other environmental laws and regulations limit the development of, and impose liability for, the disturbance of wetlands or the habitats of threatened or endangered species. As a result, the Group may be adversely affected indirectly by the additional cost of environmental liabilities imposed by environmental regulation, which could have a material adverse effect on its financial condition and may reduce income available for distribution to shareholders.

Private real estate investments are long-term in nature and relatively illiquid and may limit the ability of the Group to realise its investments or respond quickly to changing conditions

There may be a significant amount of time before real estate funds in which the Group invests have invested all their committed capital. Once such investments are made, it may take some years for them to reach a stage of maturity at which realisation can be achieved. It is therefore possible that the Group may not receive a return on such investments for a number of years. It is not expected that a market for such investments will develop.

The illiquidity of real estate and indirect investments in real estate may affect the Group's ability to vary its exposure to real estate investments or liquidate those investments in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions. If the Group were required to dispose of or liquidate an investment on unsatisfactory terms, it may realise less than the value at which the investment was previously recorded, which could result in a decrease in Net Asset Value. Such illiquidity could have an adverse effect on the Group's financial condition and results of operations, with a consequential adverse effect on the market value of the Shares or on the Company's ability to make distributions to Shareholders.

RISKS RELATING TO TAX

Failure by any member of the Group and/or any of the underlying funds in which it invests to maintain tax residence only in the jurisdiction in which it is intended that any member of the Group or relevant underlying fund be tax resident, or a change in the location or nature of the business operations performed by the member of the Group or underlying fund, may give rise to additional tax costs and a reduced return on investments as a result

It is intended that each member of the Group will not be resident in any jurisdiction outside Guernsey, and in particular will not be resident in the UK. To establish and maintain non-UK tax

resident status, each member of the Group must be managed and controlled outside the UK. The composition of the Board, the place of residence of the Board's individual members and the location(s) in which the Board makes its decisions will be important factors in determining and maintaining the non-UK tax residence status of the Company. Whilst it is intended that a majority of the Directors will reside outside the UK and that board meetings will be held outside the UK (predominantly in Guernsey), the Company must pay continued attention to ensure that its decisions are not taken in the UK to avoid losing its non-UK tax resident status. Should any member of the Group be or become UK tax resident, it will be subject to UK corporation tax on its worldwide income and gains. Each member of the Group must similarly take care that it does not become liable to tax as a resident of a jurisdiction other than Guernsey or the UK.

If any member of the Group were treated as resident, as having a permanent establishment or as otherwise being engaged in a trade or business, in any country in which it invests or in which its investments are managed, all of its income or gains, or the part of such gain or income that is attributable to, or effectively connected with, such permanent establishment or trade or business, may be subject to tax in that country, which could have a material adverse effect on the Company's performance and returns to Shareholders.

Many of the funds in which the Group invests will be subject to similar risks and failure by those funds to maintain their tax status may depress or even eliminate the returns generated by the Group from its investments in those funds.

Changes in tax laws or regulation affecting the Group or the unexpected imposition of tax on its investments could adversely affect its performance

There can be no assurance that the net income of any member of the Group will not become subject to tax in one or more countries as a result of the way in which activities are performed by the Group, adverse developments or changes in law, contrary conclusions by the relevant tax authorities or other causes. The imposition of any such unanticipated net income taxes could materially reduce the Group's post-tax returns, which could have a material adverse effect on the performance of the Company and returns to Shareholders. Changes to the tax laws of, or practice in, Guernsey, the UK or any other tax jurisdiction affecting the Group could adversely affect the value of the investments held by the Company and decrease the post-tax returns to Shareholders. Additionally, gross income and gains arising on the investments themselves may be subject to certain taxes which may not be recoverable by the Group.

The imposition of withholding tax on distributions or other payments received or made by the Company could materially reduce the value of the Shares and the return to Shareholders

No withholding tax is currently imposed in respect of distributions or other payments on the Shares. There can be no assurance, however, that the position will not change in the future as a result of a change in any applicable law, treaty or regulation, the official application or interpretation thereof by the relevant tax authorities or other causes. The imposition of any unanticipated withholding tax could materially reduce the value of Shares.

Certain of the funds in which the Company invests, or the assets held by those funds, may be the subject of taxation in the jurisdictions in which they are based or operate. Further, distributions from those funds or assets may be the subject of withholding taxes or other deductions, including by virtue of the status of the Company, and any such withholding or deduction may be irrecoverable. For instance, investments which constitute interests in U.S. real property within the meaning of the U.S. Foreign Investment in Real Property Act ("**FIRPTA**") may be the subject of irrevocable withholding taxes on their disposal. While the Group may attempt to utilise techniques to minimise the amount of any such withholding or deductions, no assurance can be given that they will be capable of amelioration, whether in whole, in part or at all.

Actions by the Company or changes in UK tax law or HMRC practice could lead to the Company being regarded as an "offshore fund" for UK tax purposes, thereby potentially leading to adverse tax consequences for UK Shareholders

Certain non-UK resident funds are categorised as "offshore funds" under Part 8 of the Taxation (International and Other Provisions) Act 2010 (the "**offshore fund rules**"). If a fund is categorised as an offshore fund, that fund may elect to be a "reporting fund", in which case investors will be subject to tax on income in respect of amounts distributed to them by the offshore fund and their respective proportions of any excess of the fund's "reportable income" over distributions made by it. Accordingly, investors in reporting funds may suffer "dry" tax charges on undistributed income. Any

capital gains realised on disposals of interests in a reporting fund (which will be treated as effectively reduced for UK tax purposes by such amount of the gain as is attributable to undistributed income which has already been taxed under the reporting regime) will however be respected as capital gains for UK tax purposes with the result that UK individual investors will be subject to tax on such gains at applicable capital gains tax rates (currently 28 per cent. for higher rate taxpayers) as opposed to income tax rates (the highest marginal rate currently being 50 per cent but reducing to 45 per cent. with effect from 6 April 2013). If the fund does not elect to be a reporting fund, then investors in it will be taxed on amounts distributed to them by the offshore fund as income and any capital gains realised on disposal of their interests in the offshore fund will be taxed as if those gains were income. Therefore, whilst investors in a non-reporting fund should not suffer “dry” tax charges, non-reporting fund status is particularly unattractive for UK investors because all returns on investment are taxed at income tax rates. (The treatment of offshore funds which are “bond funds” is slightly different: see below.)

The Directors have been advised that the Company should not be categorised as an “offshore fund” under the offshore fund rules. This is on the basis that Shareholders should not expect to be able to realise, at any particular time or within any particular time frame, all or part of an investment in the Shares on a basis calculated entirely or almost entirely by reference to the Net Asset Value per Share, notwithstanding the existence of a discretion on the part of the Directors to take steps to mitigate any discount to the Net Asset Value per Share at which the Shares trade and/or the provision for continuation votes to be held in respect of the Company in the future. However, it is possible that, as a result of certain actions taken by the Company, or of changes in law or in HMRC practice, the Company could be regarded as an “offshore fund” in the future (with the result that Shareholders would then be treated as if their Shares had always fallen within the offshore fund regime). Actions of the Company which might increase this risk include adopting a recognisable pattern of Share buybacks at predictable prices or issuing communications to Shareholders (for example, in relation to Share buybacks) that might give rise to an inference or expectation that Shareholders will be able to realise all or part of an investment at or close to the prevailing Net Asset Value per Share.

If the Company were at any time to comprise an offshore fund and more than 60 per cent. of its total investments comprised debt investments (or interests in funds which themselves exceeded the 60 per cent. debt invested threshold), it would attract “bond fund” treatment for the investors. If this were to occur, UK corporate holders would be subject to corporation tax on income in respect of fair value movements in the Shares and individual investors would be taxed on dividends (if any) as if they were interest.

Recently enacted US tax legislation may in the future impose a withholding tax on certain payments received by the Company unless the Company reports certain information about its Shareholders to the U.S. Internal Revenue Service

The United States Congress recently enacted legislation that, if the Company is characterised as a “foreign financial institution”, may require the Company to enter into an agreement with the U.S. Internal Revenue Service (the “IRS”) that may require the Company to obtain information about its Shareholders and to disclose information about its U.S. Shareholders to the IRS. The impact of the new US legislation on the Group and on underlying funds in which the Group invests is not yet certain.

The Company (or each member of the Group) could become subject to a 30 per cent. withholding tax on certain payments of (or attributable to) U.S. source income if it does not enter into such an agreement, is unable to obtain required information about its U.S. Shareholders or otherwise fails to satisfy obligations under the agreement. Additionally, if the Company does enter into such an agreement with the IRS, the 30 per cent. withholding tax could be imposed on some or all of the payments made to Shareholders that do not provide the required information. Further, if the Company is not characterised as a “foreign financial institution”, it nevertheless may become subject to such 30 per cent. withholding tax on certain payments of (or attributable to) U.S. source income unless it either provides information to withholding agents with respect to its “substantial U.S. owners” or makes certain certifications. As a result, Shareholders may be required to provide any information that the Company determines necessary to avoid the imposition of such withholding tax or in order to allow the Company to satisfy its obligations, and failure to do so could have a material adverse impact on the returns received by such Shareholders.

RISKS RELATING TO AN INVESTMENT IN THE SHARES

Shareholders will have no rights of redemption for Shares and must rely on the existence of a liquid market in order to realise their investment

The Company has been established as a registered closed-ended collective investment scheme in Guernsey. Accordingly, Shareholders will not be entitled to have their Shares redeemed by the Company. While the Directors retain the right to effect repurchases and redemptions of Shares and return capital in the manner described in this Prospectus, they are under no obligation to use such powers at any time and the Shareholders should not place any reliance on the willingness of the Directors to do so. Shareholders wishing to realise their investment in the Company will therefore be required to dispose of their Shares through trades on the London Stock Exchange or to negotiate transactions with potential purchasers. Accordingly, Shareholders' ability to realise their investments is in part dependent on the existence of a liquid market in the Shares and on the extent of its liquidity. More generally, shares in comparable investment vehicles have historically been subject to lower liquidity than equity investments in other types of entities.

Investors should not expect that they will necessarily be able to realise, within a period which they would otherwise regard as reasonable, their investment in the Company, nor can they be certain that they will be able to realise their investment on a basis that necessarily reflects the value of the underlying investments held by the Company.

The Shares may trade at a discount to Net Asset Value

The Shares may trade at a discount to Net Asset Value per Share for a variety of reasons, including due to market conditions, liquidity concerns or the actual or expected performance of the Company. There can be no guarantee that attempts by the Company to mitigate any such discount will be successful or that the use of discount control mechanisms will be possible, advisable or adopted by the Company.

The Net Asset Value figures published by the Company will be estimated only and may be materially different from actual results

The Company intends to publish monthly Net Asset Value figures. In calculating the Net Asset Value, the Group will be relying, *inter alia*, on valuation information sourced from the investment managers or funds with which the Group invests or their respective administrators. Such figures may be estimated and may be based on unaudited estimated valuations, may depend on the accuracy of information provided by the investment managers with whom the Group invests and may not be subject to independent verification or other due diligence. It should be noted that any such estimates may vary (in some cases materially) from actual results, especially (but not only) during periods of high market volatility or disruption. Further, the type of assets traded by the Group may be complex, illiquid and not listed on any stock exchange. Accordingly, such estimated monthly Net Asset Value figures should be regarded as indicative only. Estimated results, performance or achievements may differ materially from any actual results, performance or achievements.

The Net Asset Value of the Company may not be an accurate guide to the actual realisable value of the relevant investments.

Valuations of the Group's assets may not reflect the price at which such assets can be realised.

To the extent that the net asset value information of an underlying asset or that of a material part of an asset's underlying investments is not available in a timely manner, the Net Asset Value of the Company will be published based on estimated values of the asset and on the basis of the information available to the Administrator at the time. There can be no guarantee that the Group's assets could ultimately be realised at any such future valuation. Because of overall size, concentration in particular markets and the nature of the assets held by the Group, the value at which its assets can be disposed of may differ, sometimes significantly, from the valuations obtained by the Group. In addition, the timing of disposals may also affect the values ultimately obtained. At times, third party pricing information may not be available for certain positions held by the Group.

The ability of certain persons to hold Shares may be restricted as a result of ERISA or other considerations

Each acquirer 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-U.S. or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the Code.

The Shares will be subject to purchase and transfer restrictions in the Offer and in secondary transactions in the future

The Shares have not been registered in the United States under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to restrictions on transfer contained in such laws and, accordingly, may not be offered, pledged or sold within the United States or to, or for the account or benefit of, U.S. persons or to any Resident of the United States unless in certain transactions where exemption from the registration requirements of the Securities Act is available, and except in accordance with the Articles. Under the Articles, the Directors have the power to require the sale or transfer of Shares in certain circumstances. Such power may be exercised to prevent (i) the Company from being in violation of, or required to register under, the Investment Company Act or being required to register the Shares under the U.S. Securities Act of 1933, as amended or the U.S. Securities Exchange Act of 1934, as amended (including in order to maintain the status of the Company as a “foreign private issuer” for the purposes of those Acts); (ii) any member of the Group being in violation of, or required to register under or report pursuant to, the U.S. Investment Advisers Act of 1940, as amended; (iii) the assets of the Company from being deemed to be assets of an employee benefit plan within the meaning of ERISA or of a plan within the meaning of Section 4975 of the Code; (iii) any member of the Group from being in violation of, or required to register under, the U.S. Commodity Exchange Act of 1974 (the “CEA”); and (iv) any member of the Group from having compliance obligations under, or from being in violation of, the U.S. Hiring Incentive for Restoring Employment Act of 2010 (which incorporates the anti-avoidance revenue provisions contained in the U.S. Foreign Account Tax Compliance Act (“FATCA”)) or otherwise not being in compliance with the Investment Company Act, ERISA, the CEA, FATCA or the Code.

Prospective investors should refer to the section headed “*Restrictions on Sales*” in Part VII of this Prospectus.

Prospective investors should therefore consider carefully whether investment in the Company is suitable for them, in light of the risk factors outlined above, their personal circumstances and the financial resources available to them.

IMPORTANT INFORMATION

This Prospectus should be read in its entirety before making any application for Shares. Prospective investors should rely only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than as contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company or the Global Coordinator or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules, neither the delivery of the Prospectus nor any subscription made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to its date.

Prospective investors must not treat the contents of this Prospectus or any subsequent communications from the Company or the Global Coordinator or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

Apart from the liabilities and responsibilities (if any) which may be imposed on the Global Coordinator by FSMA or the regulatory regime established thereunder, the Global Coordinator makes no representations, express or implied, nor accepts any responsibility whatsoever for the contents of this Prospectus nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares or the Offer. The Global Coordinator (and each of its affiliates) accordingly disclaims all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it might otherwise have in respect of this Prospectus or any such statement.

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

Regulatory information

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

Prospective investors should consider (to the extent relevant to them) the notices to residents of various countries set out in Part VII "*Restrictions on Sales*" of this Prospectus.

Data protection

The information that a prospective investor in the Company provides in documents in relation to a proposed 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 Guernsey to whom it may delegate certain administrative functions) in compliance with the relevant data protection legislation and regulatory requirements of Guernsey. 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 in order to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in Guernsey or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company in order 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, agents or functionaries appointed by the Company or its agents in order to provide services to prospective investors; and
- transfer personal data outside the EEA to countries or territories which do not offer the same level of protection of the rights and freedoms of prospective investors as the United Kingdom or Guernsey.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary 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) of the disclosure and use of such data in accordance with these provisions.

Investment considerations

An investment in Shares is suitable only for persons who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment. An investment in Shares should only constitute part of a diversified investment portfolio. Accordingly, typical investors in the Company are expected to be institutional investors, professional investors, high net worth investors and advised individual investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager or broker regarding investment in the Company.

The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, accounting, regulatory, investment decisions or any other matter. Prospective investors must inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of the Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of the Shares which they might encounter; and
- the income and other tax consequences which may apply to them as a result of the purchase, holding, transfer, redemption or other disposal of the Shares.

Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment in it.

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

It should be remembered that the price of the Shares, and the income from the Shares (if any), can go down as well as up.

This Prospectus should be read in its entirety before making any investment in the Shares. All Shareholders are entitled to the benefit of, and are bound by, the provisions of the Memorandum of Incorporation and Articles of Incorporation summarised in Part VII of this Prospectus under the section headed "*Memorandum of Incorporation and Articles of Incorporation of the Company*".

No incorporation of website

The contents of the Company's website at www.bacitltd.com and each other website referenced in this Prospectus does not form part of this Prospectus. Investors should base their decision to invest on the contents of this Prospectus alone and should consult their professional advisers prior to making an application to acquire Shares.

Forward-Looking Statements

This Prospectus contains forward-looking statements, including, without limitation, statements containing the words "believes", "estimates", "anticipates", "expects", "intends", "may", "will" and "should" or, in each case, their negative or other variations or similar expressions. Such forward-looking statements involve unknown risk, uncertainties and other factors, which may cause the actual results of operations, performance or achievement of the Company, or industry results, to be

materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Important factors that could cause these differences include, but are not limited to:

- changes in economic conditions generally and their input on the Company's ability to achieve its investment objective and target return and/or target dividend;
- the Company's ability to invest the cash on its balance sheet and the net proceeds of the Offer in suitable investments on a timely basis;
- changes in assumptions made by the Management Team in arriving at the Company's target return and/or target dividend;
- the success of the Group's investment strategy and the continued involvement of the Management Team;
- the availability of future investments which comply with the Company's investment policy; and
- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the Group.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this Prospectus. Subject to its compliance with its legal and regulatory obligations (including under the Listing Rules, Disclosure and Transparency Rules and Prospectus Rules), the Company undertakes no obligation to update or revise any forward-looking statement contained in this Prospectus to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

The actual number of Shares to be issued will be determined by the Company in consultation with the Global Coordinator. The information in this Prospectus should be read in light of the actual number of Shares to be issued in the Offer.

Market data

Where information contained in this Prospectus has been sourced from a third party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Currency Presentation

Unless otherwise indicated, all references in this Prospectus to "€" or "Euro" are to the lawful currency of the Eurozone countries, to "US\$" or "U.S. Dollars" are to the lawful currency of the U.S. and to "Sterling", "GBP" or "£" are to the lawful currency of the UK.

Definitions

A list of defined terms used in this Prospectus is set out in Part VIII "*Definitions*" of this Prospectus.

IMPORTANT NOTICE REGARDING HISTORICAL AND ILLUSTRATIVE INFORMATION

This Prospectus contains actual historical performance information and an illustrative initial investment portfolio for the Group (which is consistent with the Company's investment policy (the "**Illustrative Portfolio**")). The Group has no investment history. Prospective investors should be aware that any investment in the Company is speculative, involves a high degree of risk, and could result in the loss of all or substantially all of their investment.

Historical information

The historical performance information presented in Part II of this Prospectus is intended to illustrate the past performance of certain investment funds managed by third parties (the "**Third Party Managers**") that (subject to certain exceptions specified in Part II) are currently open for investment by the Company following Admission (the "**Investment Opportunities**"). That information has been prepared by the Company from publicly available data and in some instances, from the Third Party Managers directly, as at 31 July 2012 or 31 August 2012 (the "**Track Record Information**"). Certain of such information may be based on estimated valuations. Estimated results, performance or achievements may differ materially from any actual results, performance or achievements. The benchmark information presented in Part II has been selected by the Management Team on the basis

that, in the Management Team's opinion, the benchmarks listed are closest in nature to the strategy of the fund appearing opposite. Differences, including (but not limited to) investment horizons, inception dates, fee arrangements and actual investments made, can affect returns and impact the usefulness of performance comparisons against benchmarks. Due to such differences, the performance of the benchmarks shown are not directly comparable to the performance of the funds listed. Performance is shown gross of management fees and performance fees unless stated otherwise.

Past performance is not a reliable indicator of future results.

Illustrative Portfolio

The Illustrative Portfolio is included in this Prospectus for illustrative purposes only and should not be relied upon by any person in making an investment decision. The Company may not make the same investments as those reflected in the Illustrative Portfolio or the performance information contained in this Prospectus.

Prospective investors should not consider the Illustrative Portfolio or any information containing or derived from the Illustrative Portfolio to be indicative of the Group's future investment portfolio or its eventual performance. Such information is intended to be illustrative only and may not reflect the actual investment portfolio of the Group following Admission owing to a variety of reasons. In particular, the investment allocations made to form the Illustrative Portfolio may not be available at the time of investment of the Group's assets and market conditions or the performance of specific investment opportunities may change such that the Management Team invests the Group's assets in a different way to that which they would do as at the date of this Prospectus. Further, adjustments may be made to the spread of investments in the Investment Portfolio following the making of the Group's initial actual investments with the result that the exact composition of the Group's intended longer term fully invested portfolio may not be known for between six to twelve months following Admission. The Group's eventual investment portfolio will change over time as the Group realises existing investments, responds to changing market conditions and takes advantage of new investment opportunities that are not available at the time of Admission. As such, the eventual investment portfolio may be materially different from the Illustrative Portfolio depicted in this Prospectus.

Future performance of the Company's investment portfolio as compared to the Track Record Information and the Illustrative Portfolio

For a variety of reasons (not limited to, where applicable, the historical and hypothetical nature of the information and the use of estimates and assumptions in order to generate that information), the comparability of the Track Record Information and the Illustrative Portfolio to the Company's future performance and actual investment portfolio is very limited. Without limitation, results can be positively or negatively affected by market conditions beyond the control of the Group or the Management Team, which market conditions may be different in many respects from those that prevail at present or in the future, including (without limitation) with the result that the performance of investment portfolios originated now may be significantly different from those originated in the past.

Prospective investors should consider the following factors which, among others, may cause the Company's results to differ materially from historical results achieved by the Third Party Managers:

- the Track Record Information reflects the performance of a number of different persons in a variety of circumstances;
- the Track Record Information may or may not reflect the deduction of fees or the reinvestment of dividends and other earnings;
- market conditions at the times covered by the Track Record Information may be different in many respects from those that prevail at present or in the future, with the result that the performance of investment portfolios originated now may be significantly different from those originated in the past. In this regard, it should be noted that there is no guarantee that these returns can be achieved or can be continued if achieved;
- results can be positively or negatively affected by market conditions beyond the control of the Group and the Management Team;
- differences between the Group and the circumstances in which the Track Record Information and the Illustrative Portfolio were generated include (but are not limited to) all or certain of: actual acquisitions and investments made, investment objectives, fee arrangements, structure, terms, leverage, performance targets and investment horizons; and

- all of these factors can affect returns and impact the usefulness of performance comparisons and as a result, none of the historical information contained in this Prospectus is directly comparable to the returns which the Company may generate.

No representation is being made by the inclusion of the investment examples and strategies presented herein that the Group will achieve performance similar to the investment examples and strategies herein or avoid losses. There can be no assurance that the Investment Opportunities described herein will meet their objectives generally, or avoid losses.

OFFER STATISTICS

Total number of Shares being issued pursuant to the Offer*	250,000,000
--	-------------

Total number of Shares in issue immediately following Admission**	250,000,000
---	-------------

Offer Price	£1 per Share
-------------	--------------

Expected opening NAV per Share***	98.7p per Share
-----------------------------------	-----------------

ISIN of the Shares	GG00B8P59C08
--------------------	--------------

* *This number assumes an offer size of £250 million and includes subscriptions that certain Directors may make for Shares outside the Offer.*

** *The actual number of Shares upon Admission will be determined by the Company in consultation with the Global Coordinator after taking into account demand for the Shares and prevailing economic and market conditions. The results of the Offer and the basis of allocation are expected to be announced by the Company through an RIS provider on or around 23 October 2012.*

*** *The expected opening NAV per Share reflects the expected expenses of the Offer to be borne by the Company and does not reflect the investment of the proceeds of the Offer in any of the proposed underlying investments described in this document.*

If you have any questions relating to the completion and return of the Public Application Form in respect of the Offer for Subscription, please call Capita Registrars, Corporate Actions on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 am to 5.30 pm (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. The helpline cannot provide advice on the merits of the Offer for Subscription nor give any financial, legal or tax advice. Please note that calls to this helpline number may be monitored and recorded for security and training purposes.

EXPECTED TIMETABLE

Publication of this Prospectus and commencement of the Offer	1 October 2012
--	----------------

Latest date of receipt of Public Application Forms and payment in full under the Offer for Subscription	1.00 pm on 19 October 2012
---	----------------------------

Last date for receipt of applications for Shares in the Placing	Midday on 22 October 2012
---	---------------------------

Announcement of the results of the Offer through an RIS provider	23 October 2012
--	-----------------

Admission and commencement of unconditional dealings on the London Stock Exchange	8.00 am on 26 October 2012
---	----------------------------

CREST stock accounts credited (where applicable)	26 October 2012
--	-----------------

Despatch of definitive share certificates (where applicable)	Week commencing 5 November 2012
--	------------------------------------

Each of the times and dates in the above timetable is subject to change and may be extended or brought forward without further notice. References to times are to London times unless otherwise stated.

DIRECTORS AND ADVISERS

Directors (all non-executive)	Jeremy Tigue (Chairman) Peter Hames Tom Henderson Colin Maltby Nicholas Moss Jon Moulton Martin Thomas All of Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL
Sponsor, Global Coordinator and Bookrunner	J.P. Morgan Securities plc 25 Bank Street Canary Wharf London E14 5JP United Kingdom
Administrator to the Company, Company Secretary and Registered Office	Northern Trust International Fund Administration Services (Guernsey) Limited Trafalgar Court Les Banques St. Peter Port Guernsey GY1 3QL (Tel: +44 1481 745 001)
Custodian	Northern Trust (Guernsey) Limited Trafalgar Court Les Banques St. Peter Port Guernsey GY1 3DA
Receiving Agent	Capita Registrars Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
Registrar	Capita Registrars (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH
Reporting Accountants	Deloitte LLP Guernsey Branch PO Box 137 Regency Court Glategny Esplanade St. Peter Port Guernsey GY1 3HW
Auditors of the Company	Deloitte LLP Guernsey Branch PO Box 137 Regency Court Glategny Esplanade St. Peter Port Guernsey GY1 3HW

Legal Advisers to the Company as to English law	Freshfields Bruckhaus Deringer LLP 65 Fleet Street London EC4Y 1HS
Legal Advisers to the Company as to Guernsey Law	Carey Olsen Carey House P.O Box 98 Les Banques St. Peter Port Guernsey GY1 4BZ
Legal Advisers to the Sponsor, Global Coordinator and Bookrunner as to English Law	Herbert Smith LLP Exchange House Primrose Street London EC2A 2HS

PART I – THE COMPANY

Introduction

The Company is a registered closed-ended investment scheme incorporated in Guernsey on 14 August 2012 as a non-cellular company limited by shares with an indefinite life. The Company will operate as a fund-of-funds which will invest in or commit to a portfolio of investment entities and managed accounts with a selection of managers and across a variety of asset classes. It intends to invest globally to build a diversified portfolio of fund investments and will not be restricted to making investments in a particular geographic region, strategy or sub-sector.

The Company will make its investments through BACIT Investments LP Incorporated, a newly formed Guernsey limited partnership (the “**Limited Partnership**”), in which the Company will be the sole limited partner and the general partner will be BACIT GP Limited (the “**General Partner**”), a wholly-owned Guernsey incorporated subsidiary of the Company. The Company will contribute the proceeds of the placing and offer for subscription (the “**Offer**”) to the Limited Partnership (net of the formation and initial expenses of the Group and the Company’s short term working capital requirements) which will, in turn, make investments and hold assets in a manner consistent with the Company’s investment policy.

The employees of the General Partner (the “**Management Team**”) will manage the Investment Portfolio and investment decisions regarding the Investment Portfolio will be taken by the Management Team with the benefit of advice from a strategic advisory committee to the Limited Partnership (the “**Strategic Advisory Committee**”).

The Company’s share capital on Admission will consist of the Shares (and the Deferred Share, see Part VII paragraph 2.7) only.

Investment highlights

- **An investment strategy seeking superior returns**

The Company’s investment objective is to deliver superior returns from investments in leading long-only and alternative investment funds across multiple asset classes and will target an annualised return per Share (taking into account both growth in Net Asset Value and any distributions on the Shares) in the range of 10 to 15 per cent. per annum on the offer price of the Shares.¹ The Group’s investment selection process will focus on investment managers that the Management Team believe to have a superior track record using limited leverage, typically being “blue chip” managers who are experienced and have well established businesses and managers the Management Team have identified as being potential “blue chip” managers of the future. The Group may invest on a global basis, including in funds that invest in emerging markets. The Group intends to achieve the investment objective primarily through investment in:

- long-only funds that the Management Team believe to be capable of market outperformance in varied market conditions;
- hedge funds that pursue multiple investment strategies, seeking to construct a hedge fund portfolio that is neither style nor strategy specific;
- private equity funds, primarily in the buy-out, growth equity, venture capital, secondaries and mezzanine debt sectors, by subscribing to new funds and by acquiring secondary investments in existing funds; and
- real estate funds that own commercial, industrial or residential property.

- **Investments will not bear the impact of management or performance fees**

All investments made by the Group either (a) will not be subject to any management or performance fees or (b) will be made on the basis the Group is effectively reimbursed the amount of any such fees by rebate, donation back to the Group or other retrocession arrangements.

In addition, the Management Team will provide their services free of charge to the Group. Further, Tom Henderson will provide office space and equipment for the Management Team and cover specific overheads of the Management Team up to an amount equal to £210,000 per annum.

¹ This is a target only and not a profit forecast. There can be no assurance that the target will be met and it 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 this target rate of return for the Company is reasonable or achievable in deciding whether to invest in the Company.

Accordingly, returns to investors should be enhanced by the absence of management and performance fees in the Company's structure.

- **Charitable component**

One per cent. of NAV will be donated annually to charity, with half donated to the ICR and half donated to the BACIT Foundation, which will (net of the BACIT Foundation's running expenses) grant those funds to charities named in a list of charities proposed annually by the BACIT Foundation (which will include the ICR) in proportions determined each year by investors in the Company. A list of the relevant charities will be sent to Shareholders at or around the same time as the Company's annual report is dispatched. Further details regarding the ICR and the other charities initially chosen by the BACIT Foundation as potential candidates for grants are included in Part III of this Prospectus.

- **Investment in cancer research**

In addition to the charitable component described above, the Group intends to invest up to one per cent. of NAV each year to acquire interests in drug development and medical innovation projects undertaken by the ICR or its subsidiaries which have the potential for commercial development and application ("ICR Projects"). To the extent less than one per cent. of NAV is allocated to ICR Projects in any given year, the amount available for investment in such projects as and when appropriate opportunities become available in subsequent years may be increased by such uninvested amount.

- **Investment by the Directors and the Management Team**

The Board and the Management Team together intend to make a significant investment in the Company which should provide a strong alignment of interest with Shareholders.

- **Periodic discontinuation votes**

The Company has been established with an indefinite life. However, the Directors wish to provide Shareholders with the opportunity to consider the future of the Company on a periodic basis. The Company's Articles provide that Shareholders will be entitled to vote on the discontinuation of the Company every five years, starting with the annual general meeting in 2017 and at every fifth annual general meeting thereafter. If the resolution is passed, the Directors will formulate proposals to be put to Shareholders within six months of such resolution for the reorganisation or reconstruction of the Company. In addition, should Tom Henderson cease to be involved with the Company, the Directors will formulate alternative proposals to be put to Shareholders within six months of his departure. These proposals may include the recommendation of a replacement for Tom Henderson or proposals for the winding up the Company if a suitable replacement cannot be found or is not approved by Shareholders.

Investment objective

The Company's investment objective is to deliver superior returns from investments in leading long-only and alternative investment funds across multiple asset classes.

Investment policy

The Group intends to invest in leading long-only and alternative investment funds across multiple asset classes.

Investments will only be made in cases where the relevant investment manager provides investment capacity on a "gross return" basis, meaning that the Group does not bear the impact of management or performance fees on the relevant investment. This may be achieved by the relevant manager or fund agreeing with the Group not to charge management or performance fees, by rebating or donating back to the Group any management or performance fees charged or otherwise arranging for the Group to be directly or indirectly compensated so as effectively to increase its investment return on the relevant investment by the amount of any such fees. Depending on their specific terms, arrangements under which the Group receives a rebate, donation or other retrocession, compensation or payment in respect of fees payable in relation to an investment may mean that the investment returns actually received by the Group are not identical to those that would have been received had no fees had been charged. However, any such differences are not expected to be material.

The composition of the Group's investment portfolio will vary over time in terms of its investment in asset classes, strategies, managers and funds but the Group intends to be invested in at least 15 distinct investment funds or managed account strategies at any time.

The Group intends to invest up to one per cent. per annum of NAV to acquire interests in ICR Projects. To the extent less than one per cent. of NAV is allocated to ICR Projects in any given year, the amount available for investment in such projects as and when appropriate opportunities become available in subsequent years may be increased by such uninvested amount. This may be facilitated through investment in one or more funds or vehicles which may be managed or advised by a specialist third party investment manager.

The Group intends to invest (i) no more than 20 per cent. of its assets (measured at the time of investment) in any single fund or managed account; (ii) no more than 30 per cent. of its assets (measured at the time of investment) with a single investment manager; (iii) no more than 50 per cent. of its assets (measured at the time of investment) in funds or managed accounts pursuing any single investment strategy (defined for these purposes as convertible arbitrage, distressed, emerging markets, equity, event-driven, fixed income, macro, merger arbitrage, multi-strategy and relative value and systemic strategies); and (iv) no more than 80 per cent. of its assets (measured at the time of investment) in any single asset class (defined for these purposes as long-only equity funds, hedge funds, private equity funds, credit and fixed income, real estate funds, infrastructure funds and other asset classes not included in any of the foregoing). The Group may make short term investments in short term deposits or investments that are readily realisable (and are available to the Group on a "gross return" basis) pending investment in longer-term opportunities.

The funds and accounts in which the Group invests may follow a wide range of investment policies and strategies and may be permitted to borrow and invest in long and short positions in quoted and unquoted equities, fixed income securities, options, warrants, futures, commodities, currency forwards, over the counter derivative instruments (such as swaps), securities that lack active public markets, private securities, repurchase agreements, preferred stocks, convertible bonds and other financial instruments or real estate as well as cash and cash equivalents. The Group may invest on a global basis, including in funds that invest in emerging markets.

The Company has agreed with the ICR not knowingly to make any investment (directly or indirectly) which contravenes the tobacco restriction contained in the investment policy of the ICR.

The Group will make an annual donation to charity, paid in arrears, of one per cent. of NAV, half of which will be donated to the ICR and half of which will be donated to the BACIT Foundation. The BACIT Foundation (net of the BACIT Foundation's running expenses) will grant those funds to charities named in a list proposed annually by the BACIT Foundation (which will include the ICR) in proportions determined each year by investors in the Company. The list of charities will be sent to Shareholders at or around the same time as the Company's annual report is dispatched in each year. The first such payment will be paid in respect of the partial year ending 31 March 2013 (pro rated in respect of the period from Admission to the year-end).

The Group may incur indebtedness for the purpose of financing Share repurchases or redemptions, making investments (including as bridge finance for investment obligations), satisfying working capital requirements or to assist in payment of the Annual Donation, up to a maximum of 20 per cent. of NAV at the time of incurrence. The decision on whether to incur indebtedness may be taken by the Management Team within such parameters as are approved by the Board from time to time. There will be no limitations on indebtedness being incurred at the level of the Group's underlying investments.

The Group does not propose to enter into any securities or derivative hedging or other derivative arrangements other than those that may from time to time be considered appropriate for the purposes of efficient portfolio management and will not enter into such arrangements for investment purposes, although there will be no limitations on such arrangements being entered into at the level of the Group's underlying investments.

Investment Strategy and Process

The Group intends to invest or commit the proceeds of the Offer (net of the formation and initial expenses of the Group and the Company's short term working capital requirements) in or to the Group's initial investments as soon as practicable following Admission (having regard to the choice and nature of available investments, prevailing market conditions and such other factors as the Group considers relevant) and thereafter to remain substantially fully invested or committed at all

times. The Group aims to take advantage of the identified investment access opportunities that have already been made available to it as soon as reasonably practicable following Admission, although the exact composition of the portfolio and specific investments may depend on market conditions at the time of investment. Further, it may be that adjustments are made to the spread of investments in the portfolio following the making of those initial investments so that the exact composition of the fully invested portfolio may not be known for around six to twelve months following Admission. Cash which has not been invested or which has been committed but not called for investment may be invested in short term deposits or investments that are readily realisable and are available to the Company on a basis consistent with the Company's investment policy, particularly regarding fees. Further, although the Group does not intend to follow a formal over-commitment strategy in respect of investments which have been committed but not yet called, it may invest all or some of the cash committed to those investments in more liquid investment opportunities in the interim.

The investment selection process will focus on managers whom the Management Team believe to have a superior track record using limited leverage, typically being "blue chip" managers who are experienced and have well established businesses or managers the Management Team have identified as being potential "blue chip" managers of the future.

Investments will initially be sourced through research on funds which offer medium to long-term returns. Research will be performed with the use of third-party vendor data to filter funds in asset classes and strategies in which the Group intends to invest. In addition, the Management Team intend to source investment opportunities through its network of market contacts, including other investment managers and fund-of-fund managers as well as investment banks and prime brokers. Managers will be selected on criteria including the Management Team's assessment of their proven ability to run investment management businesses in varied market conditions, as well as integrity, commitment and a passionate, "hands-on" management style.

Track records will be reviewed and considered together with the desired mix of strategies and styles to ensure the Investment Portfolio is robust and complies with the Group's investment policy. Analysis will be undertaken to review concentration of capital by reference to asset class, strategy, manager and fund diversification. The Investment Portfolio will then be reviewed on an on-going basis in the context of the Group's investment objective of seeking medium to long-term returns. The Group will carry out no operational due diligence in connection with its investments or potential investments.

Investment changes may be made to the Investment Portfolio from time to time, but new investments will be subject to the requirement that they are made on a basis consistent with the Company's investment policy, particularly regarding fees. It is the Group's intention to remain fully invested (or committed) at all times taking into account working capital. To the extent that the Group is unable to source appropriate investment opportunities on a basis consistent with the Company's investment policy, it may return the relevant uninvested or uncommitted cash to Shareholders.

The Management Team intends to collaborate closely with the managers with which it invests, in order to allow for effective on-going monitoring of its investments.

Investment decisions regarding the Group's portfolio will be taken by the Management Team. Shifts in the strategic investment direction of the Investment Portfolio will be determined by the Management Team, with the benefit of advice from the Strategic Advisory Committee.

It is anticipated that the Annual Donation will be funded primarily from investment income received by the Company on the underlying investments of the Group, failing which it will be funded from the proceeds of investment disposals or from borrowings.

The Group's initial investments

The Group intends to invest or commit to invest in all or some of the 31 investments described in Part II of this Prospectus on as timely a basis as is prudent following Admission (having regard to the choice and nature of available investments, prevailing market conditions and such other factors as the Group considers relevant) and thereafter to remain substantially fully invested or committed at all times taking into account working capital.

The Group intends to have an investment portfolio which is diversified over different asset classes and investment strategies. The exact composition of the fully invested portfolio and the identity of specific investments will also depend on market conditions and the availability of investments at the time of investment. The Group may make short term investments in short term deposits or investments that

are readily realisable (and are available to the Group on a “gross return” basis) pending investment in longer-term opportunities.

Adjustments may be made to the spread of investments in the Investment Portfolio following the making of the Group’s initial investments so that the exact composition of the Group’s longer term fully invested portfolio may not be known for between six to twelve months following Admission. Further, the Group’s investment portfolio will change over time as the Company realises existing investments and responds to new opportunities as they arise. It is expected that at the time of Admission, assuming that the Offer is fully subscribed, the Company will have available investment capacity in excess of the total funds raised.

Directors of the Company

The Directors are responsible for the determination of the investment objective and policy of the Company (subject to material changes being approved by Shareholders in accordance with the Listing Rules) and have overall responsibility for overseeing the Company’s activities. All the Directors other than Tom Henderson are independent for the purposes of Chapter 15 of the Listing Rules.

The Directors, all of whom are non-executive, are listed below:

Jeremy Tighe (Chairman)

Jeremy Tighe, aged 53, has more than 30 years investment experience. He joined F&C Management in 1981 and has been the fund manager of Foreign & Colonial Investment Trust PLC since 1997.

He has been a Director of the Association of Investment Companies since 2003 and was Chairman of the Institutional Shareholder Committee from 2006 to 2008. He is a Director of Graphite Enterprise Trust PLC and The Mercantile Investment Trust plc. Mr Tighe is resident in the UK.

Tom Henderson

Tom Henderson, aged 46, has 23 years’ experience working in the financial markets, including the UK, Continental Europe, Russia and the United States. He is the founder and investment manager of New Generation Haldane Fund Management Limited (previously Eden Capital). Previously, Mr. Henderson was a portfolio manager for Moore Capital and prior to that worked with Cazenove & Co. in London and New York. Mr Henderson is resident in the UK.

Peter Hames

Peter Hames, aged 51, is a non-executive director of Polar Capital Technology Trust PLC, MMIP Investment Management Limited and is an independent member of The Operating Committee of Genesis Asset Managers LLP.

Mr Hames started his investment career working for The Iveagh Trustees Limited, a family office which handled the financial affairs of various members of the Guinness family. In 1990 he joined Aberdeen Asset Management PLC and, in 1992, he relocated to Singapore where he co-founded Aberdeen Asset Management Asia Limited. As Director of Asian Equities he oversaw regional fund management teams responsible for running a number of top-rated and award winning funds. He also played an important role in the development of Aberdeen’s Global Emerging Market products. He left Aberdeen in 2010. Mr Hames is resident in Guernsey.

Colin Maltby

Colin Maltby, aged 61, is Chairman of BlackRock Absolute Return Strategies Limited and HarbourVest Senior Loans Europe Limited, a Director of Abingworth BioEquities Fund Limited and a member of the Supervisory Board of Bilfinger Berger Global Infrastructure SICAV SA.

He was Head of Investments at BP from August 2000 to June 2007 and was previously Chief Investment Officer of Equitas Limited from its formation in 1996. His career in investment management began in 1975 with NM Rothschild & Sons and included 15 years with the Kleinwort Benson Group, of which he was a Group Chief Executive at the time of its acquisition by Dresdner Bank AG in 1995. He was Chief Executive of Kleinwort Benson Investment Management from 1988 to 1995. Mr Maltby is a Fellow of Wolfson College, Oxford, a Fellow of the Royal Institution of Great Britain and of the Royal Society of Arts, and a member of the Institut National Genevois. Colin has served as a non-executive Director of various public companies and agencies, and as an adviser to numerous institutional investors, including pension funds and insurance companies, and to private equity and venture capital funds in both Europe and the United States. He is currently an

Investment Advisor to Wolfson College, Oxford and was formerly an Investment Advisor to the British Coal Staff Superannuation Scheme. Mr Maltby is resident in Switzerland.

Nicholas Moss

Nicholas Moss, aged 52, is a Guernsey resident and a Chartered Accountant. He is a co-founder of the Virtus Trust Group, a Guernsey and US based fiduciary, corporate services and investment consulting business. Prior to establishing Virtus Trust, Mr Moss was a managing director with the Rothschild Trust Group in Guernsey where he spent 16 years structuring and administering complex onshore and offshore trusts for corporates and ultra high net worth families. He has substantial experience in the selection of investment managers for his clients and the subsequent evaluation and monitoring of these portfolios. He holds several non-executive Board appointments including the London listed Absolute Return Trust Limited, BH Global Limited and Carador Income Fund PLC.

Jon Moulton

Jon Moulton, aged 61, is a Fellow of the Institute for Turnaround and a Corporate Financier in the Institute of Chartered Accountants in England and Wales. Jon is the founder and Managing Partner of the private equity firm Better Capital, chairman of FinnCap, the stockbroker, and a member of the UK government's £2.4 billion UK Regional Growth Fund. Between 1997 and September 2009, Jon Moulton was the Managing Partner and founder of Alchemy Partners. From 1972 to 1978, Jon was a Manager at Coopers & Lybrand, in Liverpool where he specialised in computer audit and corporate insolvency. He then worked in the M&A group of Coopers & Lybrand in New York for two years before moving to Citicorp Venture Capital, initially in New York and then, from 1981, in London where he was a Managing Director in the LBOs and venture capital group, and a member of the French and German Investment Committees. From 1985 to 1994, Jon was the Managing Partner and founder of Schroder Ventures, where he focused on LBOs and venture capital, and was a member of the French and German Investment Committees. Between 1994 and 1997, Jon was the Director in charge of LBOs at Apax Partners and a member of its International Operating Committee. Mr Moulton is resident in the UK and Guernsey.

Martin Thomas

Martin Thomas, aged 49, is Chairman of Lancashire Holdings Limited and partner and board member of Altima Partners LLP.

Previously, he was an official of the Bank of England, most recently on secondment to the EU Commission where he worked in the Financial Services Policy and Financial Markets Directorate of the Internal Market and Services Directorate General. Before Mr Thomas joined the EU Commission he established the Financial Markets Law Committee at the Bank of England. Previously he was Deputy Chief Executive of the Financial Law Panel and, prior to that, senior counsel to the European Central Bank in Frankfurt. Mr Thomas started his career in private practice, specialising in corporate and commercial litigation at Travers Smith and in the law and regulation of financial services at Clifford Chance. Mr Thomas is resident in the UK.

The Management Team

The Management Team are as follows:

Arabella Cecil

Arabella Cecil started working in financial services in 1987, for Finbancaria (corporate finance, Milan), and later Banque Hottinguer (Paris), and Credit Lyonnais Laing (London) where she was head of food manufacturing research. Between 1998 and 2008 she owned and ran Gravity Pictures, which specialised in filmmaking in the IMAX[®] format. Most recently she was an investment manager and a member of the investment and risk committees of Culross Global Management.

Tom Henderson

See the biography for Mr. Henderson included under "Directors of the Company" above.

John McDonald

John McDonald has 28 years' experience working in the financial markets. He is a director of, and investment consultant for, Alternative Research Limited. Previously, Mr. McDonald was head of sales and marketing at Impax Asset Management, head of alternative investment sales at New Star Asset Management, investment director at Eden Capital and co-founder of Fortune Asset Management.

Jorge Villon

Jorge Villon has 28 years' experience in financial services businesses. Most recently, Mr. Villon has been chief executive officer and partner at Polygon Investment Partners and chief executive officer and partner at MKM Longboat Capital Advisers. Previously, Mr. Villon has held positions at JP Morgan Chase, Cardinal Asset Management, Dresdner Kleinwort Wasserstein, Credit Suisse First Boston, Kidder Peabody and Cerro Metals Limited.

Corporate governance of the Company

The Directors recognise the importance of sound corporate governance, particularly the requirements of the AIC's Code of Corporate Governance (the "**AIC Code**") and the UK Corporate Governance Code published by the Financial Reporting Council (the "**Corporate Governance Code**").

As a newly incorporated company, the Company does not currently comply with the Corporate Governance Code or the AIC Code. However, arrangements have been put in place so that with effect from Admission and, save as described below, the Company will comply with the AIC Code and, in accordance with the AIC Code, will voluntarily comply with the Corporate Governance Code. The Company has not established a separate remuneration committee as the Group has no remunerated executive officers and the Board is satisfied that any relevant issues that may arise can be properly considered by the Board. The Company will be subject to the GFSC Finance Sector Code of Corporate Governance, which applies to all companies that hold a licence from the GFSC under the regulatory laws or which are registered or authorised as collective investment schemes in Guernsey. The GFSC requires an assurance statement from the Company confirming that the Directors have considered the effectiveness of their corporate governance practices and are satisfied with their degree of compliance with the principles set out in the GFSC Finance Sector Code of Corporate Governance, or the alternative codes accepted by the GFSC, in the context of the nature, scale and complexity of the Company's business. As the Company will report against the AIC Code, it will be deemed to meet the requirements of the GFSC Finance Sector Code of Corporate Governance.

The Directors have adopted a code of directors' dealings in the Shares which is based on the Model Code for directors' dealings contained in the Listing Rules. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with this share dealing code by the Directors.

Board committees

The Company has established an audit committee and nomination committee with formally delegated duties and responsibilities.

The Company's audit committee will meet formally at least twice a year for the purpose, amongst others, of considering the appointment, independence and remuneration of the auditors and to review the annual statutory accounts and interim report. Where non-audit services are to be provided to the Company by the auditors, full consideration of the financial and other implications on the independence of the auditors arising from any such engagement will be considered before proceeding. The audit committee is chaired by Jon Moulton and its other members are Peter Hames, Colin Maltby, Nicholas Moss and Martin Thomas. The principal duties of the audit committee will be to consider the appointment of external auditors, to discuss and agree with the external auditors the nature and scope of the audit, to keep under review the scope, results and cost effectiveness of the audit and the independence and objectivity of the auditors, to review the external auditors' letter of engagement and management letter and to analyse the key procedures adopted by the Company's service providers.

The Company has established a nomination committee with the primary purpose of filling vacancies on the Board. The nomination committee has other duties including to review regularly the Board structure, size and composition, to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of that Director, and to make a statement in the annual report about its activities. The nomination committee chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall at least once a year review its own performance, composition and terms of reference and recommend any changes it considers necessary to the Board for approval. The nomination committee shall meet at least once a year and otherwise as required. Members of the nomination committee shall be appointed by the Board and shall be made up of at least three members. A majority of the members of the nomination

committee shall be independent non-executive directors of the Company. As at the date of this Prospectus, the committee comprises all members of the Board and is chaired by Colin Maltby.

Strategic Advisory Committee

The Limited Partnership has established a Strategic Advisory Committee with formal duties and responsibilities. These duties and responsibilities include the provision of advice to the General Partner on strategic matters regarding the implementation of the Company's investment policy. The Strategic Advisory Committee will meet formally at least once per year. The Strategic Advisory Committee will initially comprise John Chatfeild-Roberts, Greg Coffey, Anne West and Chris Wood.

The composition of the Strategic Advisory Committee may change from time to time in the event of the resignation of existing members or the appointment, as determined by the General Partner, of additional committee members. There will be no specific eligibility requirements for membership of the Strategic Advisory Committee, but the members may include senior representatives of certain investment managers with whom the Group invests. In such a case, the relevant members will be asked not to participate in any discussion regarding any investment in relation to which he or she may have a conflict of interest.

Administrator, Secretary and Designated Manager

Northern Trust International Fund Administration Services (Guernsey) Limited has been appointed as administrator, secretary and designated manager of the Company pursuant to the Administration Agreement (further details of which are set out in Part VII "*Additional Information*" of this Prospectus under the heading "*Material Contracts – Administration Agreements*"). The Administrator will be responsible for the Company's general administrative requirements such as the calculation of NAV and NAV per Share, maintenance of the Company's accounting and statutory records and, if required, the safekeeping of such share certificates or other documents of title relating to the Company's investments as may be deposited with the Administrator.

By a separate LP Administration Agreement, Northern Trust International Fund Administration Services (Guernsey) Limited has been appointed as administrator of the General Partner and the Limited Partnership (further details of which are set out in Part VII "*Additional Information*" of this Prospectus under the heading "*Material Contracts – Administration Agreements*"). The Administrator will be responsible for the general administrative requirements of the General Partner and the Limited Partnership such as the maintenance of accounting and statutory records and acting as secretary of the General Partner.

The Administrator is licensed by the GFSC under the POI Law to act as "designated manager" and provide administrative services to closed-ended investment funds and collective investment schemes.

Shareholders should note that it is not possible for the Administrator to provide any investment advice to Shareholders.

Registrar

Capita Registrars (Guernsey) Limited has been appointed as registrar of the Company pursuant to the Registrar Agreement (further details of which are set out in Part VII "*Additional Information*" of this Prospectus under the heading "*Material Contracts – Registrar Agreement*").

The Registrar is licensed by the GFSC under the POI Law to provide registrar services to collective investment schemes.

Shareholders should note that it is not possible for the Registrar to provide any investment advice to Shareholders.

Custodian

Northern Trust (Guernsey) Limited has been appointed to provide custody services to the Company and the Limited Partnership pursuant to the Custody Agreement (further details of which are set out in Part VII "*Additional Information*" of this Prospectus under the heading "*Material Contracts – Custody Agreement*").

The Custodian is licensed by the GFSC under the POI Law to provide custody services to collective investment schemes.

Shareholders should note that it is not possible for the Custodian to provide any investment advice to Shareholders.

Fees and expenses of the Company

Formation and initial expenses

The costs and expenses of the Offer will be borne by the Company in full. These expenses (including fees and expenses payable under the Placing Agreement, registration, listing and admission fees, printing, advertising and distribution costs and professional advisory fees, including legal fees, and any other applicable expenses) are not expected to exceed £3,250,000, representing approximately 1.3 per cent. of the gross proceeds of the Offer, assuming £250 million is raised. Expenses relating to the acquisition of the Company's initial investments are not expected to exceed £50,000. The opening NAV (assuming an Offer size of £250 million) is therefore expected to be 98.7 pence and the net proceeds of the Offer £246,750,000.

Ongoing expenses of the Company

It is anticipated that, on an ongoing basis, the Company should have an annualised total expense ratio of between 0.20 and 0.30 per cent. of NAV, assuming that £250 million is raised in the Offer. These are expected to include the following expenses.

Acquisition expenses

Acquisition expenses are those costs (predominantly legal and due diligence costs) incurred by the Group in connection with the acquisition of its investments.

General expenses

The Company will also incur the following ongoing expenses:

(i) Directors of the Company

Each Director will be entitled to a fee of £20,000 per annum and the Chairman to a fee of £30,000 per annum, payable by the Company. Tom Henderson has waived his right to receive such fee. Peter Hames, Colin Maltby and Martin Thomas have elected to take their fee in Shares, and other directors may elect to do so in future. The Directors are entitled, pursuant to the Articles, to be reimbursed for expenses properly incurred in the performance of their duties as Directors.

(ii) Administration

For the provision of the services under the Administration Agreements, the Administrator is entitled to receive an establishment fee of £30,000 and a fee of up to 7.5 basis points of NAV per annum, subject to a minimum annual fee of £120,000, payable by the Company.

(iii) Registrar

For the provision of the services under the Registrar Agreement, the Registrar is entitled to receive a minimum fee of £7,999 for maintaining the share register and £500 for share portal services per annum, payable by the Company. Additional charges may be levied by the Registrar depending upon the services which are requested by the Company.

(iv) Custody

For the provision of the services under the Custody Agreement, the Custodian is entitled to receive a fee of up to 5 basis points of NAV per annum, subject to a minimum annual fee of £20,000, together with transaction charges, payable by the Company or the Limited Partnership.

(v) Other operational expenses

Other costs that will be borne by the Group are expected to include travel, accommodation, public relations, custody, stock exchange, regulatory, printing, audit and legal fees. Additionally, all out-of-pocket expenses of the Directors, the Administrator, the Registrar and the Custodian relating to the Company will be borne by the Company.

(vi) Underlying investment expenses

The Group will bear its applicable portion of the costs and expenses incurred by the funds included in the Investment Portfolio other than any management or performance fees, for example the cost of audit and other services provided to the fund by third parties.

Ongoing expenses of the Management Team

The Management Team will provide their services free of charge to the Group. The costs of the expenses of the Management Team (but not, for the avoidance of doubt, the Directors) will be paid, its office space and equipment will be provided free of charge and the overheads of that office space and equipment will be met, up to an annual amount equal to £210,000 per annum, by Tom

Henderson (further details of which are set out in Part VII “*Additional Information*” of this Prospectus under the heading “*Material Contracts – Expenses Deed*”).

Distribution policy

The Company may pay a dividend at the discretion of the Board. The Board is targeting an initial dividend of two per cent. per annum of NAV (or the proportionate fraction thereof in respect of any partial year).² Any such dividend will be paid annually, with the earliest opportunity for the Company to pay a dividend being following the end of the partial year ending 31 March 2013.

The Company also proposes to offer a scrip dividend alternative under which Shareholders may elect to receive new Shares in place of a cash dividend, subject to Shareholder approval, so that the cash that otherwise would have been distributed can be used for investment purposes. The Directors intend to seek Shareholder approval at each annual general meeting to offer a scrip dividend alternative. New Shares issued pursuant to any election for a scrip dividend shall be issued at the applicable NAV per Share.

Payment of any dividend will be subject to compliance with applicable laws and regulations and the Company having profits available for the purpose.

Notwithstanding the distribution policy described above, the Company retains the discretion to reinvest the proceeds of investments received by the Group.

Gearing policy

The Group may incur indebtedness for the purpose of financing Share repurchases or redemptions, making investments (including as bridge finance for investment obligations), satisfying working capital requirements or to assist in payment of the Annual Donation, up to a maximum of 20 per cent. of NAV at the time of incurrence. The decision on whether to incur indebtedness may be taken by the Management Team within such parameters as are approved by the Board from time to time. While the Group has no intention to utilise gearing to assist with the acquisition of the Group’s initial investments, it may do so for investment purposes in the future if, at the time of incurrence, it considers it prudent and desirable to do so in light of then prevailing market conditions. There will be no limitations on indebtedness being incurred at the level of the Group’s underlying investments.

Discount management

The Company has been established with an indefinite life. However, the Directors wish to provide Shareholders with the opportunity to consider the future of the Company on a periodic basis. Accordingly, the Company’s Articles provide that Shareholders will be entitled to vote on the discontinuation of the Company every five years, starting with the annual general meeting in 2017 and at every fifth annual general meeting thereafter. The vote will require more than 50 per cent. of the votes cast on the resolution to be in favour to require for the Directors to formulate proposals, to be put to Shareholders within six months of such resolution being passed, for the reorganisation or reconstruction of the Company. These proposals may or may not involve winding up the Company or liquidating all or part of the Group’s then existing portfolio and there can be no assurance that a discontinuation vote will necessarily result in the winding up of the Company or liquidation of all or some of its investments. A special resolution of the Shareholders (75 per cent. or more of the votes cast in favour of the resolution) is required to wind up the Company. It should be noted that, in light of the probable profile of the Group’s portfolio and the long term nature of certain of its investments, any decision to wind up the Company or liquidate the Group’s portfolio may take a significant length of time to implement (and could possibly exceed the time in which the Company had been in existence prior to any such decision being taken).

The Company also has the authority to acquire up to 14.99 per cent. of the Shares in issue in any year (or in excess of 14.99 per cent. pursuant to a tender offer made to all Shareholders). The Company intends to seek Shareholder authority to make own share purchases on an annual basis. However, the Directors have no current intention of utilising the authority and the making and timing of acquisitions of Shares by the Company, if any, and the price at which any such acquisitions are effected, will be at the absolute discretion of the Board. Further, the utilisation by the Company of this discount management measure is subject to all applicable laws, rules and regulations

² This is a target only and not a profit forecast. There can be no assurance that the target will be met and it 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 this distribution target is reasonable or achievable in deciding whether to invest in the Company.

(including, without limitation, as to the availability of distributable profits and satisfaction of the relevant statutory solvency test) prevailing at the time of utilisation and the Articles.

Notwithstanding the above, there can be no assurance that any such discount management measure will allow investors to realise their investment on a basis that necessarily reflects the value of the underlying assets held by the Group.

Key man

Tom Henderson has assembled the Management Team, is providing the Management Team with office space free of charge, and is covering the costs of the Management Team's expenses up to an amount equal to £210,000 per annum. In addition, Mr Henderson has a developed network of contacts in the asset management industry, from which many of the Group's investment opportunities have arisen. Accordingly, the success of the Company is dependent on Mr Henderson's continued involvement. Should Mr Henderson cease to be involved with the Group for whatever reason, the Directors will formulate alternative proposals to be put to Shareholders within six months of his departure. These proposals may include the recommendation of a replacement for Tom Henderson or proposals for the winding up the Company if a suitable replacement cannot be found or is not approved by Shareholders.

Further issues of Shares

The Directors will have authority to allot and issue further Shares in the share capital of the Company following Admission. Further issues of Shares would only be made if the Directors determine such issues to be in the best interests of Shareholders and the Company as a whole. Relevant factors in making such determination include NAV performance, share price, the sourcing of capacity with additional investment managers which meet the Management Team's selection criteria and perceived investor demand. In the case of further issues of Shares, such Shares will only be issued at prices which are not less than the then prevailing NAV per Share of the relevant class.

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment and issue of Shares. The Articles, however, contain pre-emption rights in relation to allotments and issues of Shares for cash. Pursuant to a written special resolution of the subscriber to the Company's Memorandum of Incorporation, it was resolved to disapply such pre-emption rights in relation to Shares equal to ten per cent. of the Shares in issue immediately following Admission for a period concluding immediately prior to the first annual general meeting of the Company. The Directors intend to request that the authority to allot Shares for cash on a non-pre-emptive basis is renewed at each subsequent annual general meeting of the Company.

The Articles contain provisions that permit the Directors to issue C shares from time to time (see Part VII of this Prospectus under the section headed "*Memorandum of Incorporation and Articles of Incorporation of the Company – C Shares*"). C Shares are shares which convert into Shares only when a specified proportion of the net proceeds of issuing such C Shares have been invested in accordance with the Company's investment policy (prior to which the assets of the Company attributable to the C Shares are segregated from the assets of the Company attributable to the Shares). A C Share issue would therefore permit the Board to raise further capital for the Company whilst limiting dilution of investment returns for existing Shareholders.

Meetings and reports to Shareholders

All general meetings of the Company shall be held in Guernsey or such other place outside the United Kingdom as may be determined by the Directors from time to time. The Company will hold an annual general meeting each year with the first annual general meeting anticipated to be held in September 2013 and no more than 18 months after the date of incorporation of the Company.

The Company's audited annual report and accounts will be prepared to 31 March of each year, commencing with its first financial year ending 31 March 2013, and it is expected that copies of the annual report will be sent to Shareholders by 31 July each year, or earlier if possible. Shareholders will also receive an unaudited half-yearly report each year commencing in respect of the six-month period ending on 30 September, expected to be dispatched by 30 November, or earlier if possible.

The Company, for so long as it is required to do so under the Disclosure and Transparency Rules, will also issue interim management statements within the meaning of the Disclosure and Transparency Rules during the period commencing 10 weeks after the beginning and six weeks before the end of the first six-month period and the second six-month period of each financial year.

As an alternative to issuing the interim management statements, the Company may choose (but is not required) to issue unaudited quarterly financial reports. The Company is not required to issue preliminary profit statements.

The Company intends to publish monthly Net Asset Value figures, which will be made available through an RIS provider as soon as practicable after the last Business Day of the immediately preceding calendar month.

The Company's audited annual report and accounts will be made available through an RIS provider. The Company is required to send copies of its annual report and accounts to the GFSC as soon as reasonably practicable after their publication. The Company is also required to provide certain statistical information to the GFSC.

The Company's accounts will be drawn up in Sterling in compliance with IFRS and the Companies Laws.

Conflicts of interest

Not all members of the Management Team will work full time for the Group. The Directors and members of the Management Team may from time to time, in their sole discretion, act as officers or directors of, or managers or investment advisers to, other investment funds or in respect of other clients and may hold board positions or have other business relationships with managers or investments with or in which the Group also invests. They may also make investments, either in a personal capacity, or on behalf of other clients, with managers or in investments with or in which the Group also invests. It is therefore possible that Directors and members of the Management Team could from time to time have potential conflicts of interest with the Group, in which case they will have regard to their obligations to act in the best interests of the Company and the Group so far as practicable, having regard to their other obligations.

Taxation

Information concerning the tax status of the Company and the taxation of Shareholders is set out in Part VI "*Tax Considerations*" of this Prospectus. The statements contained in that Part are for information purposes only and are not intended to be exhaustive. If potential investors are in any doubt about the taxation consequences of acquiring, holding or disposing of Shares, they should seek advice from their own independent professional adviser.

ISAs, PEPs, SIPPs and SSAs

Investors are recommended to consult their tax and investment advisers in relation to the eligibility of the Shares for saving schemes, including individual savings accounts ("**ISAs**"), personal equity plans ("**PEPs**"), self-invested pension plans ("**SIPPs**") and small self-administered schemes ("**SSAs**").

Shares allotted under the Offer for Subscription may be eligible for direct transfer into an ISA. Shares allotted in the Placing are not eligible for direct transfer into an ISA. Subsequently, Shares acquired in the secondary market may be eligible for inclusion in an ISA. Eligibility for inclusion of the Shares in an ISA is subject to the usual subscription limits applicable (for the tax year 2012/13, an individual may invest £11,280).

The Directors intend to manage the affairs of the Company so as to maintain the eligibility of Shares acquired in the secondary market for inclusion in an ISA, although this cannot be guaranteed.

Although no new PEPs may be opened and no further subscriptions made to existing PEPs, the Shares may be qualifying investments for existing PEPs provided that the PEP manager has acquired such Shares by purchase in the market and is satisfied on the subject of eligibility.

The Shares are expected to be eligible for inclusion in SIPPs and SSAs, although this should be confirmed independently by investors with their professional tax or financial advisers before investment.

PART II – INVESTMENT OPPORTUNITIES

Certain information contained in this Part II has been obtained from third party sources, which in certain cases has not been updated through to the date of this Prospectus. Such information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published or provided to the Company by each relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Investment Opportunities

The Group proposes to have an investment portfolio which is diversified over different asset classes and investment strategies. The following investment managers have, as at the date of this Prospectus, agreed to make Investment Opportunities available to the Group on a basis which is compatible with the Company's investment policy. In aggregate, as at the date of this Prospectus, the Investment Opportunities amount to US\$ 1.1 billion of available investment availability for the Group. As noted above, Investment Opportunities may be withdrawn by the relevant managers at any time and no contractual commitment is in place between the Group and any manager of an Investment Opportunity. As such, there can be no guarantee that the Company will invest in any of these funds or with any of the managers listed or as to the amount of any such investment.

Manager / Investment Advisor	Fund	Strategy	Geographic focus
Armajaro Asset Management LLP	AIMS Diversified Fund SP	Commodity and other hedge strategies	Global
Baker Steel Capital Managers LLP	Baker Steel Alpha Gold Fund	Gold and gold equities	Global
	Genus Dynamic Gold Fund	Gold and other precious metal equities	Global
	Genus Natural Resources Fund	Global commodities and natural resources	Global
BlackRock Fund Managers Limited	Blackrock World Resources Income Fund	Global natural resources	
	BlackRock UK Special Situations Fund	UK special situations	UK
Brown Vanneck Partners LLP	Brown Vanneck Europe Fund Limited	Long/short pan-European equities	Europe
CG Asset Management	The Dollar Fund of CG Portfolio Fund plc.	US Treasury inflation protected securities	US
Chenavari Credit Partners LLP	The Chenavari Multi Strategy Credit Fund Limited	Credit (Regulatory Capital Strategy and European Real Estate Debt Strategy)	Europe
Cumulus Asset Management Limited	Cumulus Energy Fund	European power futures	Europe
Delancey Real Estate Asset Management Ltd	<i>Fund to be established</i>	UK-focused real estate investments	UK
Eden Rock Management LLP	Eden Rock Direct Lending Fund Ltd	Credit	UK
	Solid Rock Special Solutions III	Credit	UK
Genesis Asset Managers LLP	Genesis Emerging Markets Fund Ltd	Emerging market equities	Global
GreenOak Real Estate Advisors LP	Green Oak US, LP	American Real Estate	
	Green Oak Japan, LP	Japanese Real Estate	
Henderson Alternative Investment Advisors Limited	Henderson Agricultural Fund Limited	Soft commodities and agriculture hedge strategies	US
M&G Investment Management Limited	Infracapital Partners II LP	European infrastructure	Europe
Majedie Asset Management Limited	Majedie Asset UK Equity Fund	UK equities	UK
Optimal Fund Management Australia Pty Ltd	Optimal Australia Absolute Fund	Long/short Australian/New Zealand equities	Australia
Otus Capital Management	Maga Smaller Companies Fund Limited	Long/short European equities	Europe
Perlus Investment Management LLP	The Perlus Microcap Fund L.P.	Microcap equity (N. American focus)	US
Permira Holdings Limited	Permira V	European private equity	Europe

Manager / Investment Advisor	Fund	Strategy	Geographic focus
Polar Capital LLP	Japan Alpha Fund	Japanese equities	Asia Pacific and Japan
Polygon Global Partners	Polygon European Equity Opportunity Fund	Event driven European equities	Europe
	Polygon Convertible Opportunity Fund	Long/short European equities & credit	
	Polygon Mining Opportunity Fund	Long/short global mining equities	Global
Prosperity Capital Management Limited	Prosperity Russia Domestic Fund	Russian equities	Russia
	Russian Prosperity Fund	Russian equities	Russia
Signina Capital	SC STIRT	Fixed Income	Global
	SC Convertible Bonds	Relative Value	Europe
S.W. Mitchell Capital LLP	S.W. Mitchell European L.P.	Long/short European equities	Europe
Symphony Financial Partners Co., Ltd	The SFP Value Realization Fund Ltd	Japanese equities	Asia Pacific and Japan
	Sinfonietta	Asian macro	Asia Pacific and Japan
Thyra Management, LLC	Thyra Global Technology Fund, Ltd	Long/short Global technology equities	Global
Tower Capital Management (Pty) Ltd	Tower Fund, Ltd	Long/short sub-Saharan African equities	South Africa
WyeTree Asset Management Limited	WyeTree Residential Real Estate Total Return Opportunities Fund	Credit	US

Illustrative Portfolio

Following Admission, the Group will invest the net proceeds of the Offer in some or all of the Investment Opportunities as the Management Team believes prudent in light of the then prevailing market conditions. While the exact composition of the fully invested portfolio and the identity of specific investments will depend on market conditions and the continued availability of specific opportunities at the time of the Group's investment, if the Management Team were to allocate assets as at the date of this Prospectus based on availability of Investment Opportunities and market conditions as at that date, it is anticipated that such allocation would have characteristics similar to the Illustrative Portfolio discussed below. Prospective investors should note that the Illustrative Portfolio and this information is intended to be illustrative only and is not designed to be indicative, or to predict the future performance, of the Company or its eventual investment portfolio, which may be materially different from the Illustrative Portfolio described below.

Concentration

The Illustrative Portfolio comprises 31 investments run by 24 managers. The top ten and top 20 investments within the Illustrative Portfolio together represent 52 per cent. and 82 per cent. of the Illustrative Portfolio, by value, respectively. The largest single fund within the Illustrative Portfolio represents 8 per cent. by value.

Strategy

22 per cent. of investments within the Illustrative Portfolio have an equity hedge strategy, with a further 17 per cent. having an equity focus, in each case by value. The remainder comprises commodities (14 per cent.), fixed income and emerging market (each eight per cent.), real estate and infrastructure (each six per cent.), private equity, credit and cash (each five per cent.), global macro and relative value (each two per cent.), in each case by value.

Geographic focus

37 per cent. of the investments within the Illustrative Portfolio have a global investment focus, with a further 22 per cent. and 12 per cent. having a European and emerging markets focus, by value, respectively. The focus of the remainder of the investments within the Illustrative Portfolio is split between Asia Pacific (12 per cent.), the US (eight per cent.) and the United Kingdom (nine per cent.), in each case by value.

Liquidity

Over 25 per cent. of the investments within the Illustrative Portfolio by value could ordinarily be liquidated on one month's notice or less, with over 20 per cent. by value requiring notice of between one and three months. Of the remainder, over 20 per cent. would require notice of between three and six months, approximately five per cent. require notice of between six months and one year and over 15 per cent. would require notice of over a year, in each case by value. This liquidity analysis reflects notice period and redemption frequency and any hard locks; it does not allow for funds dropping gates.

Management and performance fees

Of the fees the managers of the funds in the Illustrative Portfolio might typically charge investors, 8.7 per cent. of the investments within the Illustrative Portfolio by value would attract a management fee of less than 1 per cent. and no performance fee, and a further 12.6 per cent. by value would charge a management fee of 1.0-1.75 per cent. and no performance fee. Of the remaining, 78.7 per cent. would charge a performance fee of 10-20 per cent. and management fees ranging from 1.0-1.49 per cent. (17.7 per cent.), 1.5-1.99 per cent. (17.8 per cent.) and 2 per cent. or greater (43.1 per cent.), in each case by value.

Asset class

44 per cent. by value of the investments within the Illustrative Portfolio are hedge funds and a further 34 per cent. by value are funds with a long bias. The remaining 22 per cent. by value are made of up infrastructure and real estate funds (each representing six per cent. of investments within the Illustrative Portfolio), private equity (five per cent.) and cash (five per cent.), in each case by value.

Currency exposure

The currency exposure of the investments within the Illustrative Portfolio is split 46 per cent. by value to Sterling and 54 per cent. by value to the US dollar.

The table below sets out certain historical performance information in relation to Investment Opportunities within the Illustrative Portfolio that are currently expected to represent more than one per cent. of the expected opening NAV of the Company.

	Inception	Annualised Net Return^{1,3}	Annualised Benchmark Return^{1, 3}	Relative Annualised Performance vs. Benchmark	Benchmark²
Armajaro AIMS Diversified Fund ⁵	Dec-11		<i>See footnote</i>		
Baker Steel Genus Dynamic Gold Fund	Apr-03	20.06%	10.78%	+ 9.28%	FTSE Gold Miners
BlackRock UK Special Situations Fund	Jun-04	10.93%	7.49%	+ 3.44%	FTSE-All Share
CG Portfolio Fund plc Dollar Fund	May-09	13.67%	10.35%	+ 3.32%	Barclays US Inflation Linked Bonds TR
Chenavari European Real Estate Debt Strategy ⁶	Jan-10	76.24%	5.05%	+ 71.19%	HFRI ED: Distressed/ Restructuring
Chenavari Bank Regulatory Capital Strategy ⁶	May-11	10.51%	(2.84%)	+ 13.35%	HFRI ED: Distressed/ Restructuring
Cumulus Energy Fund	Oct-06	28.07%	(0.36%)	+ 28.43%	Thompson Reuters/Jefferies CRB Commodity Index
Delancey Real Estate ⁴	Q4-12		<i>See footnote</i>		
Genesis Emerging Markets Fund	Aug-89	12.50%	10.50%	+ 2.00%	MSCI EM
Henderson Agricultural Fund	Apr-08	11.70%	(5.73%)	+ 17.43%	Thompson Reuters/Jefferies CRB Commodity Index
Japan Alpha Fund ⁴	Q4-12		<i>See footnote</i>		
M&G Infracapital Partners II ⁴	2012		<i>See footnote</i>		
Maga Smaller Companies Fund	Apr-04	9.16%	5.60%	+3.56%	Eurostoxx 600
Majedie Asset UK Equity Fund	Aug-03	11.29%	7.99%	+ 3.30%	FTSE-All Share
Optimal Australia Absolute Fund	Sep-08	9.16%	5.03%	+ 4.13%	ASX200

		Annualised Net Return ^{1,3}	Annualised Benchmark Return ^{1, 3}	Relative Annualised Performance vs. Benchmark	Benchmark ²
Permira V ⁴	Q4-12		See footnote		
Polygon European Equity Opportunity Fund	Jul-09	10.99%	(0.79%)	+ 11.78%	Eurostoxx 50
Polygon Convertible Opportunity Fund	May-09	26.56%	6.48%	+ 20.08%	HFRI Equity Hedge Index
Russian Prosperity Fund	Sept-96	21.93%	14.27%	+ 7.66%	RTS US\$
S.W. Mitchell European Fund ⁴	Jun-99	6.86%	1.46%	+ 5.40%	Eurostoxx 50
The SFP Value Realization Fund	Aug-03	5.61%	3.62%	+ 1.99%	Topix
Sinfonietta	Jun-08	8.97%	1.96%	+ 7.01%	HFRI Macro Index
Thyra Global Technology Fund	Nov-06	11.65%	4.85%	+ 6.80%	Nasdaq Composite
Tower Fund	Aug-09	15.17%	13.53%	+ 1.64%	FTSE/JSE Africa All Share Index
WyeTree Residential Real Estate Total Return Opportunities Fund	Dec-08	10.64%	3.17%	+ 7.47%	Markit ABX.HE Index, H2 2006 vintage

Source: Index data from Bloomberg. Fund data from Bloomberg, fund newsletters and third party managers

Note: The historical performance information presented above is intended to illustrate the past performance of certain investment funds managed by third party managers that are currently open for investment by the Company following its Admission. Past performance is not a reliable indicator of future results. See also “**IMPORTANT NOTICE REGARDING HISTORICAL AND ILLUSTRATIVE INFORMATION**” on page 35.

- 1 From fund inception for the relevant fund to 31 August 2012 (except the two Chenavari funds, the two-Polygon funds, Cumulus, Henderson Agricultural, S.W., Mitchell European, The SFP Realization Fund and Thyra, which is data as at 31 July 2012). Track record for Blackrock UK Special Situations taken from June 2004, when the current manager began managing the fund (fund inception, March 1981).
- 2 Benchmark selected by the Management Team.
- 3 Historic data stated with US\$ hedges applied to fund returns, and index returns converted to US\$, with the exception of Henderson Agricultural Fund returns prior to September 2010, which are in A\$.
- 4 These funds are in the process of being established. Japan Alpha Fund will be the same team and process as Polar Capital's Japan Fund (which has an annualised net return of 5.20 per cent. in the period from October 2001 to 31 August 2012). Delancey would run a managed account for the Company. M&G Infra Capital II will continue the investment strategy of M&G Infracapital I (which is hoping to achieve target returns of 8 to 11 per cent. per annum (source: M&G estimate)). Permira's four existing funds have annualised net IRR of 24 per cent. since 1985 (as at March 2012). The S.W. Mitchell European Fund track record references Charlemagne Fund, which follows the same strategy as that to which the Company has been offered capacity.
5. Owing to an inception date of December 2011, it is not possible to provide an annualised net return for Armajaro AIMS Diversified Fund.
6. Chenavari European Real Estate Debt Strategy and Chenavari Bank Regulatory Capital Strategy are trading strategies of Chenavari Multi-Strategy Credit Funds.

PART III – DESCRIPTION OF THE BACIT FOUNDATION AND THE CHARITIES

Certain information contained in this Part III has been obtained from sources prepared by third parties (as identified below), which in certain cases has not been updated through to the date of this Prospectus. Such information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by each relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

One per cent. of NAV will be donated annually to charity, with half donated to the ICR and half donated to the BACIT Foundation. The BACIT Foundation will (net of its running expenses) grant those funds to charities named in a list proposed annually by the BACIT Foundation (which will include the ICR) in proportions determined each year by investors in the Company. The list of charities and their respective websites proposed by the trustees of the BACIT Foundation for the year ending 31 March 2013 are set out below. Thereafter, for subsequent years, a list of the relevant charities (which may differ) will be sent to Shareholders at or around the same time as the Company's annual report for that year is dispatched. Other than the ICR, the charities on the list from year to year will be decided by the BACIT Foundation in its discretion (and may not include any or all of the charities on the initial list or charities with similar charitable objectives), subject to a limited right for the Company to request (if there is a reasonable basis for doing so) that certain charities are not included on the list.

The BACIT Foundation

The BACIT Foundation was incorporated in England and Wales on 17 May 2012 as a private company limited by guarantee. The charitable objects of the BACIT Foundation are to:

- support the prevention, treatment, cure and ultimately the eradication of cancer in all of its forms and any allied diseases;
- promote and assist –
 - the study of and research into the nature, causes, diagnosis and pathology of cancer and any allied diseases;
 - the development and provision of all forms of preventive, curative, management and palliative treatment of cancer and any allied diseases;
 - education and training in subjects relevant to the study of cancer and any allied diseases;
- co-operate with, and to promote and assist the work of, the ICR and, or alternatively, such other charitable organisations whose objects include any of those above as the BACIT Foundation may determine in addition to or in substitution for the ICR; and
- promote and assist such other charitable objects and charitable organisations as the BACIT Foundation may from time to time consider desirable.

The initial trustees of the BACIT Foundation are Arabella Cecil, Tom Henderson, John McDonald, Catherine Scivier, Martin Thomas and Jorge Villon. The BACIT Foundation is in the process of applying for registration with the UK Charity Commission.

The Institute of Cancer Research

The ICR (www.icr.ac.uk) is one of the world's most influential cancer research institutes. Founded in 1909, it is now ranked as the UK's leading academic research centre, employing the best scientists from over 50 countries around the world.

The ICR's mission is to make the discoveries that defeat cancer. The ICR's scientists and academic clinicians are working every day to make a real impact on the lives of cancer patients.

The impact of the ICR's work over the last 100 years is profound. The ICR provided the first convincing evidence that DNA damage is the basic cause of cancer, laying the foundation for the now universally accepted idea that cancer is a genetic disease. The ICR also identified the potential link between smoking and lung cancer.

Today the ICR leads the world in isolating cancer-related genes and discovering new targeted drugs for personalised cancer treatment. Since 2005, 16 drug development candidates have been discovered based on ICR research, six of which have progressed into phase 1 clinical trials.

The ICR's discovery of a genetic alteration called BRAF has led to a new targeted therapy for malignant melanoma which significantly extends the lives of patients. In 1996, the ICR identified the

BRCA genes which put individuals at very high risk of cancer. In 2005, the MARIBS trial results were reported; this study showed that, for young women who were at high risk of breast cancer and had a high probability of carrying BRCA1/BRCA2 mutations, screening by magnetic resonance imaging (MRI) was much better than mammography. The ICR is currently working to identify better drugs for such patients. Most recently, Abiraterone, a drug discovered and developed by the ICR, has now become available for men with advanced prostate cancer who previously had no further treatment options open to them.

Other charities

In addition to the ICR, the list of charities and their respective websites proposed by the BACIT Foundation to receive support for the year ending 31 March 2013 are as follows:

- *Alzheimer's Research UK*: Alzheimer's Research UK is a dementia research charity specialising in finding preventions, causes, treatments and a cure for dementia by funding world-class, pioneering research at leading universities. (www.alzheimersresearchuk.org)
- *The Alzheimer's Society*: The Alzheimer's Society is a support and research charity for people with dementia, their families and carers. Its mission is to change the face of dementia research; demonstrate best practice in dementia care and support; provide the best advice and support to anyone dealing with dementia and influence government and society to enable those affected by dementia to live as they wish to live. (www.alzheimers.org.uk)
- *Beating Bowel Cancer*: Beating Bowel Cancer is dedicated to saving lives by working in partnership with individuals, local communities, clinical communities and government to improve public awareness of bowel cancer and to increase the rate of early diagnosis. (www.beatingbowelcancer.org)
- *Downside Up*: Downside Up provides support and advice for families raising children with Down Syndrome, develops innovative children's training and parents' support methods, disseminates knowledge and experience among Russian professionals and society, and works towards raising public awareness about Down Syndrome with the aim of changing attitudes. (www.en.downsideup.org)
- *The Egmont Trust*: The Egmont Trust is dedicated to improving the lives of children living with HIV and AIDS in sub-Saharan Africa through one smart, cost-effective project at a time. (www.egmonttrust.org)
- *The James Wentworth-Stanley Memorial Fund*: The James Wentworth-Stanley Memorial Fund was set up by James's parents to help raise awareness of anxiety, depression and suicide among young people and to tackle the terrible and shocking statistic that suicide is the second largest cause of death amongst young men in the UK. (www.jwsmf.org)
- *The Louis Dundas Centre for Children's Palliative Care*: The Louis Dundas Centre for Children's Palliative Care is intended to be a world-class centre of research, teaching and practice in palliative care for children and young people. (www.gosh.org/louis-dundas-centre)
- *Maggie's*: Maggie's is about empowering people to live with, through and beyond cancer by bringing together professional help, communities of support and building design to create exceptional centres for cancer care. Maggie's runs centres where people are welcome at any time, from having just being diagnosed, or undergoing treatment, to post-treatment, recurrence, end of life or in bereavement. (www.maggiescentres.org)
- *Marie Curie Cancer Care*: Marie Curie Cancer Care's vision is that everyone with cancer and other illnesses will have the high quality care and support they need at the end of their life in the place of their choice. It is dedicated to providing specialist homes for the care of cancer patients; providing nursing for patients at home; educating the public on cancer symptoms and treatment and providing urgent welfare needs. (www.mariecurie.org.uk)
- *NSPCC*: The NSPCC was founded in 1884. Its vision is still to end cruelty to children in the UK. The NSPCC protects children across the UK through a wide range of services for both children and adults, including national helplines and local projects. (www.nspcc.org.uk)
- *Scope*: Scope campaigns for the full inclusion and equal participation of disabled people in society. It also operates support services such as schools, a college, residential care, training, short breaks and a helpline providing information and advice on disability. (www.scope.org.uk)

- *SSAFA Forces Help*: SSAFA Forces Help is one of the UK's leading armed forces charities. It provides practical, financial and emotional support to anyone who is currently serving or has served in the Army, Navy or RAF, and their families, and has been running for over 125 years. (www.ssafa.org.uk)
- *Women for Women International*: Women for Women International works with socially excluded women in eight countries where war and conflict have devastated lives and communities. (www.womenforwomen.org.uk)

Neither the ICR, the BACIT Foundation nor any of the other charities named in this Prospectus accept any responsibility whatsoever for the contents of this Prospectus or for any other statement made or purported to be made by them or on their behalf in connection with the Company, the Shares or the Offer.

PART IV – THE OFFER

The Offer comprises a Placing of Shares to eligible investors in the United Kingdom and an Offer for Subscription of Shares to the public in the United Kingdom. An investment in the Company is intended to appeal to sophisticated or institutional investors who seek long-term capital appreciation and who understand the risks involved in investing in the Company, including the risk of loss of all capital invested.

The actual number of Shares issued pursuant to the Offer will be determined by the Company in consultation with the Global Coordinator after taking into account the demand for Shares and prevailing economic and market conditions, subject to a maximum of number of Shares of 500,000,000 with an aggregate value of £500,000,000. As soon as practicable following the closing of the Offer, the Company will publish an announcement via an RIS provider which will contain the number of Shares to be issued pursuant to the Offer.

The Shares are being offered at the Offer Price. The Shares have no par value.

The Directors, following consultation with the Global Coordinator, reserve the right to determine (without prior consultation with prospective investors) at any time prior to Admission not to proceed with the Offer. The Directors will not proceed with the Offer if the net proceeds of the Offer are less than £150 million. If the minimum net proceeds are not received, the Offer will lapse and the proceeds will be returned to applicants by electronic transfer to the account from which payment was originally received or by cheque (as applicable) at the applicant's risk and without interest. In addition, the Company reserves the right to decline to issue Shares to any person for any reason.

At the date of this Prospectus, the actual number of Shares to be issued under the Offer is not known. The actual number of Shares being issued pursuant to the Offer will be announced through the publication of an announcement via an RIS provider in due course. The Offer is not being underwritten.

The ISIN for the Shares is GG00B8P59C08.

The Placing

Subject to the restrictions on sales set out in the selling and transfer restrictions in Part VII of this Prospectus under the section “*Additional Information – Restrictions on Sales*”, the Shares offered in the Placing will be offered to institutional and other sophisticated investors in the United Kingdom. The procedure for prospective investors to follow to apply for Shares in the Placing, including the terms and conditions thereof, are set out below.

Allocations of Shares in the Placing will be determined prior to Admission by the Global Coordinator in its absolute discretion (after consultation with the Company) and will be notified to investors.

The Offer will commence on the date hereof. The latest time for the receipt of applications of Shares in the Placing is midday on 22 October 2012 (London time) (but this period may be shortened or extended at the discretion of the Global Coordinator with the agreement of the Company and without further notice).

Terms and conditions of the Placing

1. Introduction

These terms and conditions apply to persons agreeing to acquire Shares in the Placing.

Each person to whom these conditions apply (an “**Investor**”) hereby agrees with the Global Coordinator, the Registrar and the Company to be bound by the following terms and conditions upon which the Shares will be sold in the Placing. An Investor shall, without limitation, become so bound if the Global Coordinator (i) confirms (orally or in writing) the allocation to such Investor and (ii) notifies, on behalf of the Company, the name of the Investor to the Registrar.

The Global Coordinator may require any Investor to agree 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 Investor to execute a separate placing letter.

2. Agreement to acquire Shares

Conditional on (i) Admission occurring and becoming effective by 8.00 a.m. (London time) on or prior to 26 October 2012 (or such later time and/or date as the Company and the Global

Coordinator may agree), (ii) the Placing Agreement becoming unconditional in all respects and not having been terminated on or before 26 October 2012 (or such later date as the Company and the Global Coordinator may agree) and (iii) the confirmation mentioned under paragraph 1 above, each Investor agrees to become a member of the Company and agrees to acquire Shares at the Offer Price. The number of Shares acquired by such Investor in the Placing shall be determined in accordance with the arrangements described above. To the fullest extent permitted by law, each Investor 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 which such Investor may have.

3. Payment of Shares

Each Investor undertakes to pay the Offer Price for the Shares agreed to be acquired by such Investor in such manner as shall be directed by the Global Coordinator. If the Investor fails to pay as so directed and/or by the time required by the Global Coordinator, that Investor's application for Shares may be rejected. Any Investor which is a financial intermediary undertakes on its own behalf and as principal (and not on behalf of any other party) to make payment for the Shares agreed to be acquired by such Investor.

4. Representations and warranties

By receiving this Prospectus, each Investor and, in the case of paragraph 4.32 below, any person confirming his/its agreement to acquire Shares in the Placing on behalf of an Investor or authorising the Global Coordinator to notify an Investor's name to the Registrar, is deemed to represent and warrant to, and acknowledge and agree with, the Global Coordinator, the Registrar and the Company that:

- 4.1 if the Investor is a natural person, such Investor will not be under the age of majority (18 years of age in the United Kingdom) on the date such Investor's application to acquire Shares in the Placing is accepted;
- 4.2 in agreeing to acquire Shares in the Placing, the Investor is relying solely on the Prospectus and any supplementary prospectus and any regulatory announcement issued by the Company, and not on any other information, representation or statement concerning the Company or the Placing. Such Investor agrees that none of the Company, the Registrar and the Global Coordinator, nor any of their respective officers, directors, partners, agents or employees, will have any liability for any such other information, representation or statement;
- 4.3 having had the opportunity to read the Prospectus, the Investor shall be deemed to have had notice of all information and representations contained in the Prospectus, that it is acquiring Shares solely on the basis of the Prospectus and any supplementary prospectus and the Articles 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 acquire Shares;
- 4.4 the content of the Prospectus is exclusively the responsibility of the Company and its Directors and, apart from the liabilities and responsibilities, if any, which may be imposed on the Global Coordinator by FSMA or the regulatory regime established thereunder, neither the Global Coordinator nor any of its affiliates nor any person acting on behalf of any of them makes any representation, express or implied or accepts any responsibility whatsoever for the contents of this Prospectus or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares or the Placing;
- 4.5 the Investor acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Global Coordinator, the Company or any of their respective affiliates;
- 4.6 if the Investor is outside the United Kingdom, this Prospectus does not constitute an invitation or offer to such Investor or any person whom such Investor is procuring to acquire Shares in the Placing unless, in the relevant territory, such offer or invitation could lawfully be provided to such Investor or such person and Shares could lawfully be acquired and held by such Investor or such person without compliance with any unfulfilled approval, registration or other legal requirements;

- 4.7 if the laws of any place outside the United Kingdom are applicable to the Investor's application to acquire Shares and/or the acceptance thereof, such Investor 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 the Investor's application to acquire Shares and/or the acceptance thereof and none of the Global Coordinator, the Registrar, the Company and any of their respective agents, officers and employees will infringe any laws or regulatory requirements directly or indirectly, outside the United Kingdom as a result of such Investor's application to acquire Shares and/or the acceptance thereof or any actions arising from such Investor's rights and obligations under the Investor's application to acquire Shares and/or the acceptance thereof or under the Articles;
- 4.8 the Investor accepts that none of the Shares have been or will be registered under the laws of United States, Canada, Japan, Australia, South Africa, Singapore or Hong Kong. Accordingly, subject to certain exceptions, the Shares may not be offered, sold or delivered, directly or indirectly, within the United States, Canada, Japan, Australia, South Africa, Singapore or Hong Kong;
- 4.9 if the Investor is within the United Kingdom, it is a person who falls within article 19(5) or article 49 of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended, or is a person to whom the Shares may otherwise lawfully be offered under such Order, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- 4.10 if the Investor is outside the United Kingdom, neither the 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 acquire Shares in 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 acquired and held by, it or such person without compliance with any unfulfilled approval, registration or other legal requirements;
- 4.11 if the Investor is a member of the public in Guernsey, it has only been offered Shares by an entity appropriately licensed under the POI Law;
- 4.12 if the Investor is not a member of the public in Guernsey, but is situated in Guernsey, it is an entity regulated in Guernsey;
- 4.13 the Investor 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 Shares and it is not acting on a non-discretionary basis for any such person;
- 4.14 the Investor has received this Prospectus outside the United States and has carefully read and understands this Prospectus and the Investor has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other offering material concerning the Placing or the Shares to any persons within the United States or to any U.S. person as defined in Regulation S under the Securities Act or to any Resident of the United States, nor will it do any of the foregoing;
- 4.15 the Investor is not, and is not applying as nominee or agent for, a person which is, or may be, mentioned in any of sections 67, 70, 93 and 96 of the UK Finance Act 1986 (depository receipts and clearance services);
- 4.16 the Investor (a) is not a benefit plan investor (as defined in Section 3(42) of ERISA), which term includes any employee benefit plan that is subject to Part 4 of Subtitle B of Title I of ERISA, any plan that is subject to Section 4975 of the Code, such as an individual retirement account, any entity whose underlying assets include plan assets by reason of a plan's investment in the entity and a plan or other arrangement subject to provisions under applicable federal, state, local, non-U.S. or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the Code and (b) is not using "plan assets" (within the meaning of Section 3(42) of ERISA) subject to Title I of ERISA or Section 4975 of the Code;

- 4.17 the Investor is not (a) a U.S. person as defined in Regulation S or a Resident of the United States; or (b) a person to whom the offering of the Shares, or in relation to whom the direct or beneficial holding of the Shares, would or might result in the Company losing any exemption from registration under the Investment Company Act or the assets of the Company being deemed to be assets of a Plan Investor;
- 4.18 the Investor acknowledges that neither the Global Coordinator nor any of its affiliates nor any person acting on behalf of any of them 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 that the Investor's participation in the Placing is on the basis that it is not and will not be a client of either the Global Coordinator or any of its affiliates and neither the Global Coordinator nor any of its affiliates nor any person acting on behalf of any of them has any duties or responsibilities to the Investor for providing protections afforded to its clients or advice in relation to the Placing or in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement;
- 4.19 the Investor acknowledges that where it is subscribing for Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing by each such account (i) to agree to acquire Shares for each such account, (ii) to make on each such account's behalf the representations, warranties and agreements set out in the Prospectus and (iii) to receive on its behalf any documentation relating to the Placing in the form provided by the Global Coordinator. The Investor agrees that the provisions of this paragraph shall survive any resale of the Shares by or on behalf of any such account;
- 4.20 the Investor irrevocably appoints any director of the Company and any director of the Global Coordinator 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 in the Placing, in the event of the Investor's failure to do so;
- 4.21 the Investor accepts that, if the Placing does not proceed or the conditions to the Placing Agreement are not satisfied or the Shares for which valid applications are received and accepted are not admitted to listing on the Official List of the UK Listing Authority or to trading on the London Stock Exchange for any reason whatsoever, none of the Global Coordinator, the Company, their respective affiliates, any persons controlling, controlled by or under common control with any of them and any of their respective employees, agents, officers, members, stockholders, partners or representatives shall have any liability whatsoever to the Investor or any other person;
- 4.22 in connection with the Investor's participation in the Placing, it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and the countering of 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 EU Money Laundering Regulations 2007 in force in the United Kingdom or (ii) subject to the Money Laundering Directive (Council Directive No. 91/308/EEC) or (iii) subject to the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law 1999 (as amended), the regulations made thereunder and the Handbook for Financial Services Business on Countering Financial Crime and Terrorist Financing (containing rules and guidance) issued by the GFSC (as amended, supplemented or replaced from time to time) or (iv) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the EU Money Laundering Directive. Any investor investing for or on behalf of any of its underlying clients will need to complete an intermediary relationship confirmation form or an introducer certificate and accompanying underlying client information certificate. Such form/certificate may be obtained from the Global Coordinator and must be completed to the satisfaction of the Global Coordinator prior to any subscription of Shares;
- 4.23 due to anti-money laundering requirements, the Global Coordinator and the Company may require proof of identity of the Investor and related parties and verification of the source of payments before applications can be processed and, in the event of delay or failure by the Investor to produce any information required for verification purposes, the Global Coordinator

and/or the Company may refuse to accept such applications and the subscription moneys relating thereto. The Investor will hold harmless and indemnify the Global Coordinator and/or the Company against any liability, loss or cost ensuing due to the failure to process applications if such information as has been requested and has not been provided by the Investor or has not been provided on a timely basis;

- 4.24 any person in Guernsey involved in the business of the Company who has a suspicion or belief that any other person (including the Company or any person subscribing for Shares) is involved in money laundering activities, is under an obligation to report such suspicion to the Guernsey Financial Intelligence Service pursuant to the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 (as amended) and the Disclosure (Bailiwick of Guernsey) Law 2007. Similar disclosures may be required under other legislation;
- 4.25 pursuant to the Data Protection (Bailiwick of Guernsey) Law 2001 (the “**DP Law**”), the Company, the Administrator and/or the Registrar may hold personal data (as defined in the DP Law) relating to past and present Shareholders and that such personal data held is used by the Registrar and/or the Administrator to maintain the Company’s register of Shareholders and mailing lists and this may include sharing data with third parties in one or more countries when (a) effecting the payment of dividends and redemption proceeds to Shareholders and the payment of commissions to third parties and (b) filing returns of Shareholders and their respective transactions in Shares with statutory bodies and regulatory authorities. The applicant consents to the processing by the Company, the Administrator and/or the Registrar of any personal data relating to it in the manner described above;
- 4.26 the Global Coordinator and the Company 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 Investors;
- 4.27 the representations, undertakings and warranties contained in the Prospectus are irrevocable and the Global Coordinator and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and, if any of the representations or agreements made or deemed to have been made by the Investor’s subscription of the Shares are no longer accurate, the Investor shall promptly notify the Global Coordinator and the Company;
- 4.28 where the Investor or any person acting on its behalf is dealing with the Global Coordinator, any money held in an account with the Global Coordinator on behalf of the Investor 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 FSA or the GFSC and, accordingly, the Global Coordinator will not be required to segregate such money, as that money will be held by the Global Coordinator under a banking relationship and not as trustee;
- 4.29 any of the Investor’s clients, whether or not identified to the Global Coordinator, will remain its sole responsibility and will not become clients of the Global Coordinator for the purposes of the rules of the FSA or the GFSC (as applicable) or for the purposes of any statutory or regulatory provision;
- 4.30 the Investor accepts that the allocation of Shares shall be determined by the Global Coordinator in its absolute discretion (after consultation with the Company) and that commitments to acquire Shares may be scaled down for this purpose on such basis as it may determine;
- 4.31 time shall be of the essence as regards the Investor’s obligations to settle payment for the Shares and to comply with its other obligations in the Placing; and
- 4.32 in the case of a person who confirms to the Global Coordinator on behalf of an Investor (whether a natural person or otherwise) an agreement to acquire Shares in the Placing and/or who authorises the Global Coordinator to notify the Investor’s name to the Registrar as mentioned above, that person represents and warrants that he has authority to do so on behalf of the Investor.
- 4.33 Each person in a member state of the EEA which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) (other than in the case of paragraph (a) below, persons receiving offers contemplated in the Prospectus in the United Kingdom once the Prospectus has been approved by the UKLA) who receives any communication in respect of, or who acquires any Shares in the Placing will be deemed to have represented and warranted to and agreed with the Global Coordinator, the Administrator, the Registrar and the Company that:

- (a) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive or it is itself acquiring Shares for a total consideration of not less than €100,000; and
 - (b) in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive (i) the Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, (x) persons in any Relevant Member State other than qualified investors, within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive, or (y) persons in any Relevant Member State acquiring Shares for a total consideration of less than €100,000; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, or (y) persons in any Relevant Member State acquiring Shares for a total consideration of less than €100,000, the placing of those Shares to it is not treated under the Prospectus Directive as having been made to such persons.
- 4.34 Each person who receives any communication in respect of, or who acquires any Shares in the Placing pursuant to, the offers contemplated in this Prospectus in circumstances under which the laws or regulations of a jurisdiction other than a Relevant Member State would apply will be deemed to have represented and warranted to the Company, the Global Coordinator and their respective affiliates that it is a person to whom the Shares may be lawfully offered under that other jurisdiction's laws and regulations without compliance by the Company, the Global Coordinator or any of their respective affiliates with any filing, approval or notification requirements outside Guernsey or the United Kingdom, and to have acknowledged and agreed that the information contained in this Prospectus is available only to persons who have professional experience in matters relating to investment.

Miscellaneous

The minimum amount for which a prospective investor may agree to acquire Shares in the Placing is £1,000.

If the Global Coordinator, the Registrar, the Company or any of their agents request any information about a prospective investor and/or its agreement to subscribe for Shares in the Placing, such investor must promptly disclose it to them.

The rights and remedies of the Global Coordinator, the Registrar and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if a prospective investor is a discretionary fund manager, that investor may be asked to disclose in writing or orally to the Global Coordinator the jurisdiction in which its funds are managed or owned.

All documents will be sent at the investor's risk. They may be sent by post to such investor at an address notified to the Global Coordinator.

Each Investor agrees to be bound by the Articles (as amended from time to time) once the Shares which the Investor has agreed to acquire in the Placing have been acquired by the Investor. The contract to acquire Shares in the Placing and the appointments and authorities mentioned in the Prospectus will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Global Coordinator, the Company and the Registrar, each Investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of these matters. This does not prevent an action being taken against an Investor in any other jurisdiction.

In the case of a joint agreement to acquire Shares in the Placing, references to an "Investor" in these terms and conditions are to each of the Investors who are a party to that joint agreement and their liability is joint and several.

The Global Coordinator 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.

The Offer for Subscription

The Company is making an Offer for Subscription under which Shares are being made available to the public in the United Kingdom. Applicants under the Offer for Subscription will be required to

apply for Shares at the Offer Price payable in full on application, to be received by the Receiving Agent at the address set out below by no later than 1.00pm on 19 October 2012.

The terms and conditions of an application under the Offer for Subscription are set out towards the end of this Prospectus and are followed by notes on how to complete the Public Application Form. Public Application Forms must be posted, submitted electronically or delivered (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom so as to arrive no later than 1.00pm on 19 October 2012. The Offer for Subscription will, unless extended, close at that time.

The minimum subscription pursuant to the Offer for Subscription is 1,000 Shares (or such lesser amount that the Company may at its absolute discretion determine to accept).

The Offer for Subscription is being made only to the public in the United Kingdom and applications for Shares under the Offer for Subscription 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 regulatory, filing or other requirements or restrictions.

Money laundering

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK and/or Guernsey, the Company, and its agents including the Registrar and the Receiving Agent may require evidence of the identity of each prospective investor in connection with any application for Shares, including further identification of the applicant(s). Failure to provide the necessary evidence of identity may result in an investor's application being rejected or delays in the dispatch of documents.

Placing arrangements

The Company and the Global Coordinator have entered into the Placing Agreement pursuant to which, subject to certain conditions, the Global Coordinator has agreed to use reasonable endeavours to procure subscribers for certain of the Shares in the Placing in each case at the Offer Price. The Placing Agreement contains certain conditions and provisions entitling the Global Coordinator to terminate the Placing Agreement (and the arrangements associated with it) at any time before Admission in certain circumstances. If this right of termination is exercised by the Global Coordinator, the Placing will lapse and any monies received in respect of the Placing or the Offer for Subscription will be returned to applicants without interest and at their own risk.

Further details of the Placing Agreement are set out in Part VII of this Prospectus under the heading "*Material Contracts – Placing Agreement*".

The Global Coordinator may appoint additional placing agents with whom it may share its commission received pursuant to the Placing Agreement and may also share its commission with certain financial intermediaries.

CREST

Shares will be issued in registered form and may be held in either Certificated or Uncertificated Form and settled through CREST.

CREST is a paperless settlement procedure enabling securities to be evidenced other than by certificates and transferred other than by written instrument. The Articles permit the holding of the Shares under the CREST system. The Directors intend to apply for the Shares to be admitted to CREST as participating securities with effect from Admission. Accordingly, it is intended that settlement of transactions in the Shares following Admission, once issued and fully paid, may take place within the CREST system if the relevant Shareholders so wish.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

If a Shareholder or transferee requests Shares to be issued in Certificated Form, a share certificate will be despatched either to it or to its nominee (at its own risk) as soon as practicable. Shareholders holding definitive certificates may deposit at a later date their Shares into CREST. Shareholders should contact their broker or CREST sponsor who will be able to advise on the procedure for transferring their holdings into the CREST system.

Dealings

The Offer is subject to the satisfaction (or waiver) of certain conditions contained in the Placing Agreement, including Admission occurring and becoming effective by 8.00 a.m. (London time) on 26 October 2012 or such later time or date as may be determined in accordance with the Placing Agreement.

Application has been made for the Shares to be admitted to the main market for listed securities of the London Stock Exchange. It is expected that Admission will become effective and that unconditional dealings in the Shares will commence on 26 October 2012. It is expected that CREST accounts will be credited with Shares on 26 October 2012 and, if applicable, definitive share certificates for the Shares will be despatched in the week commencing 5 November 2012 or as soon as practicable thereafter. No temporary documents of title will be issued. Pending the despatch by post of definitive share certificates where applicable, transfers will be certified against the register held by the Registrar.

The dates and times referred to above may be changed.

Relationship with the Global Coordinator

The Global Coordinator and/or its affiliates may from time to time provide advisory or other services to the Group. From time to time, the Global Coordinator and its affiliates may also engage in other transactions with members of the Group in the ordinary course of their businesses, including, without limitation, transactions involving the purchase and sale of securities.

Prospective investors should note that the Global Coordinator and/or its affiliates may have acted, may currently act and may in the future act in various capacities in relation to the issuers of certain securities in which the Group invests or may invest, or which compete with the Group. Each such role would confer specific rights to and obligations on the Global Coordinator and/or its affiliates. In exercising these rights and discharging these obligations, the interests of the Global Coordinator and/or its affiliates may not be aligned with the interests of a potential investor in the Shares.

PART V – FINANCIAL INFORMATION AND REPORTS TO SHAREHOLDERS

Financial Information and Reports

The Company was incorporated on 14 August 2012 and has not yet commenced operations. No financial statements have been published by the Company since its incorporation.

The Company's audited annual report and accounts will be prepared to 31 March of each year, commencing with its first financial year ending 31 March 2013, and it is expected that copies of the annual report will be sent to Shareholders by 31 July each year, or earlier if possible. Shareholders will also receive an unaudited half-yearly report each year commencing in respect of the six-month period ending on 30 September 2013 and which is expected to be despatched by 30 November 2013, or earlier if possible.

The Company will, for so long as it is required to do so under the Disclosure and Transparency Rules, also issue interim management statements within the meaning of the Disclosure and Transparency Rules during the period commencing 10 weeks after the beginning and six weeks before the end of the first six-month period and the second six-month period of each financial year.

As an alternative to issuing the interim management statements, the Company may choose (but is not obliged) to issue unaudited quarterly financial reports. The Company is not required to issue preliminary profit statements.

The Company's audited annual report and accounts will be available through a regulatory information services provider (an "**RIS provider**"). The Company is required to send copies of its annual report and accounts to the GFSC as soon as reasonably practicable after their publication. The Company is also required to provide certain statistical information to the GFSC.

The Company's accounts will be drawn up in Sterling in compliance with IFRS and the Companies Laws.

Valuations

The NAV per Share will be reported to Shareholders on a monthly basis and calculated by the Administrator on the latest published net asset value for each underlying fund. Investments in underlying funds will be valued using the values (whether final or estimated) as advised by their managers, general partners or administrators. The Group may depart from this policy where it is considered such valuation is inappropriate and may, at their discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with good accounting practice. In the event that a price or valuation estimate accepted by the Group in relation to an underlying fund subsequently proves to be incorrect or varies from the final published price, no retrospective adjustment to any previously announced Net Asset Value or Net Asset Value per Share will be made.

Save as described above, the Company will rely on valuation and reporting methods used by the managers, general partners or administrators of the underlying funds.

Any investments which are marketable securities quoted on an investment exchange will be valued at the relevant bid price at the close of business on the relevant date.

Cash and liquid assets will be valued at their face value, plus any interest accrued.

All calculations made by the Administrator will be based, in significant part, on valuation information provided by the Company or by the underlying investment funds in which the Group invests. In addition, the financial reports produced by certain funds in which the Group invests may be provided only on a quarterly or half yearly basis and issued up to four months after their respective valuation dates. Consequently, each reported NAV per Share will contain information that may be out of date and require updating and completing. Shareholders should bear in mind that the actual NAV per Share may be materially different from any reported estimates.

The Board may at any time temporarily suspend the calculation of the Net Asset Value attributable to the Shares during:

- (i) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Board, disposal or valuation of a substantial portion of the investments of the Group is not reasonably practicable without this being seriously detrimental to the interests of Shareholders or if, in the opinion of the Board, the Net Asset Value of the Company cannot be fairly calculated;

- (ii) any breakdown in the means of communication normally employed in determining the price of a substantial portion of the investments of the Group or when for any other reason the current prices of any of the investments of the Group cannot be promptly and accurately ascertained;
- (iii) any period during which any transfer of funds involved in the realisation or acquisition of investments of the Group cannot, in the opinion of the Board, be effected at normal prices or rates of exchange; or
- (iv) any period when the Board considers it to be in the best interests of the Company.

Shares will not be issued for the duration of the period of such suspension.

Details of each monthly valuation, and of any suspension in the making of such valuations, will be announced by the Company through an RIS provider as soon as practicable after the end of the relevant month.

Accounting policies

The Directors are responsible for selecting suitable accounting policies which follow generally accepted accounting practice. These policies will be applied consistently, follow applicable accounting standards and comply with International Financial Reporting Standards as adopted by the European Union as at Admission. Reasonable and prudent judgements and estimates will be used in the preparation of the Company's financial statements.

A) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Non-controlling interests in the net assets of the consolidated subsidiary are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling entities' share of changes in equity since the date of the combination. Losses applicable to the non-controlling entities in excess of their interest in the subsidiary's equity are allocated against their interests to the extent that this would create a negative balance.

The results of the subsidiaries acquired during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition.

Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances and expenses are eliminated on consolidation.

B) Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under International Financial Reporting Standard 3 are recognised at their fair value at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds cost of the business combination, the excess is recognised immediately in profit or loss. Goodwill is reviewed for impairments annually.

The interest of non-controlling parties in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

C) Functional currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the "*functional currency*"). The

consolidated financial statements are presented in GBP(£), which is the Group's functional and presentational currency.

Transactions in currencies other than GBP are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of the consolidated statement of financial position are retranslated into sterling at the rate of exchange ruling at that date.

Foreign exchange differences arising on retranslation are recognised in the consolidated statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the rate of exchange at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated into GBP at foreign exchange rates ruling at the dates the fair value was determined.

D) Financial assets at fair value through profit or loss

Investments are designated as fair value through profit or loss in accordance with International Accounting Standard 39 ("IAS 39") Financial Instruments: Recognition and Measurement, as the Company is an investment company whose business is investing in financial assets with a view to profiting from their total return in the form of interest and changes in fair value.

Fair value through profit and loss investments are defined as those held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. The appropriate classification of the investments is determined at the time of the purchase and is re-evaluated on a regular basis. Gains and losses arising from changes in the fair value of securities classified as fair value through profit and loss are recognised in the Statement of Comprehensive Income as they arise.

Investments listed or quoted on a recognised market are valued at bid market price in the relevant market at the Statement of Financial Position date.

The Directors value all investments in investment funds comprising the portfolio of investments based upon the latest information available to the Company provided by the underlying investment funds in which the Group has invested. The valuation date of such funds may not always be coterminous with the valuation date of the Group and in such cases the valuation of the fund as at the last valuation date is used. The net asset value reported by the fund manager or administrator may be unaudited and in some cases, the notified net asset values are based upon estimates. In certain cases the Group may adjust values to their best estimate where reliable information has not been forthcoming. Whilst the Directors have no reason to suppose that any such valuations are unreasonable, the amounts realised from the redemption of these funds may materially differ from these values.

The Group will also invest in private equity funds. These are also held at fair value through profit or loss. Their value will be determined in accordance with the information provided to the Group by the investee funds in relation to such investments, although the Group may make appropriate adjustment to such valuations if acting in good faith it determines that such valuations do not accurately reflect the true value of the investments.

The Group's assessment of fair value is determined in accordance with International Private Equity and Venture Capital ("IPEVC") Valuation Guidelines. It is the opinion of the Group that IPEVC Valuation methodology used in deriving a fair value is not materially different from the fair value requirements of IAS 39 revised.

Investment transactions are accounted for on the date the securities are purchased or sold. The computation of the cost of sale of securities is made on the average cost basis. Realised and unrealised gains and losses are recognised in the Statement of Comprehensive Income.

Other unquoted securities are valued based on the realisation value which is estimated by the Directors with prudence and good faith. The Directors will take into account the guidelines and principles for valuation of investee companies set out by the IPEVC, with particular consideration of the following factors:

- Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.
- In estimating fair value for an investment, the Company will apply a methodology that is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio and will use reasonable assumptions and estimations.

- An appropriate methodology incorporates available information about all factors that are likely to materially affect the fair value of the investment. The valuation methodologies are applied consistently from period to period, except where a change would result in a better estimate of fair value. Any changes in valuation methodologies will be clearly disclosed in the financial statements.

The most widely used methodologies are listed below. In assessing which methodology is appropriate, the Directors are predisposed towards those methodologies that draw upon market-based measures of risk and return.

- Cost of recent investment
- Earnings multiple
- Net assets
- Available market prices

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I – An unadjusted quoted price in an active market provides the most reliable evidence of fair value and is used to measure fair value whenever available. As required by IFRS 7, the Group will not adjust the quoted price for these investments, even in situations where it holds a large position and a sale could reasonably impact the quoted price.

Level II – Inputs are other than unadjusted quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level III – Inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

E) Revenue recognition

Dividend income is recognised when the Group's right to receive payment has been established. Tax suffered on dividend income for which no relief is available is treated as an expense.

Interest receivable from short-term deposits and investment income are recognised on an accruals basis. Where receipt of investment income is not likely until the maturity or realisation of an investment then the investment income is accounted for as an increase in the fair value of the investment.

F) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the consolidated statement of comprehensive income. Charitable donations are accrued once their payment has been approved by the Group.

G) Trade and other receivables

Trade and other receivables are initially recognised at fair value. A provision for impairment of trade receivables is established when there is objective evidence the Group will not be able to collect all amounts due according to the original terms of the receivables.

H) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, call and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the consolidated statement of cash flows.

I) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently, where necessary, re-measured at amortised cost using the effective interest method.

J) Financial instruments

Financial instruments and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

K) Segmental reporting

As the Group invests in one investee company, there is no segregation between industry, currency or geographical location. No further disclosures have been made in conjunction with IFRS 8 Operating Segments as it is deemed not to be applicable.

PART VI – TAX CONSIDERATIONS

General

The discussion in this Part is for information purposes only and is not intended to be exhaustive. It is a discussion primarily of the tax status of the Company and the Guernsey and United Kingdom tax consequences for prospective investors of investing in the Shares, which may vary depending upon the particular circumstances and status of prospective investors. This discussion is not intended to constitute advice to any person and should not be so construed. Accordingly, each prospective Shareholder should consult its own tax advisers as to the possible tax consequences of buying, holding or selling Shares under the laws of their country of citizenship, residence or domicile or other jurisdictions in which they are subject to tax.

If you are in any doubt about your tax position, or if you may be subject to tax in a jurisdiction other than Guernsey or the United Kingdom, you should consult your professional adviser.

Guernsey

(i) *The Company*

Exempt status

The Company intends to apply for and be granted tax exempt status by the Director of Income Tax in Guernsey pursuant to the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 (as amended). The Company will need to reapply annually for exempt status, an application that currently incurs a fee of £600 per annum. It is expected that the Company will continue to apply for exempt status throughout its existence. If exempt status is granted, the Company will not be considered resident in Guernsey for Guernsey income tax purposes. Under current law and practice in Guernsey, the Company will only be liable to tax in Guernsey in respect of income arising or accruing in Guernsey other than from a relevant bank deposit. It is anticipated that no income other than interest on relevant bank deposits will arise in Guernsey and therefore the Company is not expected to incur any liability to Guernsey tax. Payments of dividends and interest by a company that has exempt status for Guernsey tax purposes are regarded as having their source outside Guernsey and hence are payable without deduction of tax in Guernsey. However, such a company may be required to provide information to the Guernsey tax authorities about dividends paid to Guernsey resident individuals.

Exempt Bodies Ordinance

In May 2012 the States of Guernsey passed an amendment to the tax exemption regime, the primary purpose of which was to widen its application to entities set up to facilitate collective investment but which did not meet the particular criteria for exempt status. The Company's application for tax exempt status should not be adversely affected by such changes.

Changes in Tax Regimes

In the absence of exempt status, the Company would be treated as resident in Guernsey for Guernsey income tax purposes and would be subject to the standard company rate of tax, currently zero per cent. In keeping with its ongoing commitment to meet international standards, Guernsey is currently undertaking a review of its corporate tax regime. Until such time as the review is complete, the existing corporate tax regime remains in place. At the date of this Prospectus, no announcements have been made regarding specific changes to Guernsey's corporate tax regime other than in relation to the removal of certain "deemed distribution" provisions which are not relevant to tax exempt companies. Whilst changes are being made to Guernsey's corporate tax regime, no changes are expected to the tax exempt regime, other than those already noted above.

Capital Taxes and Stamp Duty

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover (unless the varying of investments and the turning of such investments to account is a business or part of a business), nor are there any estate duties (save for registration fees and *ad valorem* duty for a Guernsey grant of representation where the deceased dies leaving assets in Guernsey which require presentation of such a grant).

No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of shares in the Company.

EU Savings Tax Directive

Although not a member state of the European Union, Guernsey, in common with certain other jurisdictions, has entered into agreements with EU member states on the taxation of savings income.

From 1 July 2011 paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any interest payments to individuals resident in the contracting EU member states which falls within the scope of the EU Savings Directive (2003/48/EC) (the “**EU Savings Directive**”) as applied in Guernsey. However, whilst such interest payments may include distributions in respect of shares or units in certain collective investment schemes which are equivalent to a UCITS, guidance notes issued by the States of Guernsey on the implementation of the bilateral agreements indicate that the Company is not equivalent to a UCITS. Accordingly, any payments made by the Company to Shareholders will not be subject to reporting obligations pursuant to the agreements between Guernsey and EU member states to implement the EU Savings Directive in Guernsey.

(ii) Shareholders

As Guernsey has no capital gains taxes, neither Guernsey resident nor non-Guernsey resident Shareholders will be subject to Guernsey tax on the redemption or disposal of their holdings of shares in the Company. In the case of Shareholders who are not resident in Guernsey for tax purposes, distributions can be paid to such Shareholders without giving rise to a liability to Guernsey income tax, and the Company will not be required to withhold Guernsey tax on such distributions.

Shareholders who are resident for tax purposes in Guernsey (which includes Alderney and Herm) will incur Guernsey income tax at the applicable rate on a distribution paid to them. The Company will be required to provide to the Director of Income Tax in Guernsey such particulars relating to any distribution paid to Guernsey resident Shareholders as the Director of Income Tax may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. Provided the Company maintains its exempt status, there would currently be no requirement for the Company to withhold tax from the payment of a distribution to a Guernsey resident Shareholder. Furthermore, exempt companies are currently not subject to the deemed distribution provisions of the Income Tax (Guernsey) Law, 1975, as amended.

The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in shares in the Company, together with details of the interest.

United Kingdom

The following statements are intended as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of holding Shares. They are based on current UK legislation and what is understood to be the current practice of HMRC, which may change, possibly with retroactive effect. Except insofar as express reference is made to the treatment of non-UK residents, they apply only to Shareholders who are resident, ordinarily resident and domiciled for tax purposes in (and only in) the UK, who hold their Shares as an investment (other than an ISA) and who are the absolute beneficial owners of both the Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring their Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) is not considered.

General

The Directors intend to conduct the affairs of the Company in such a manner as to minimise, so far as they consider reasonably practicable, taxation suffered by the Company. This will include conducting the affairs of the Company so that it does not become resident in the UK for taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the UK (whether or not through a permanent establishment situated in the UK), the Company will not be subject to UK income tax or corporation tax (other than by way of withholding on certain types of UK source income such as UK source interest).

Tax on disposal

The Directors have been advised that the Company should not be an offshore fund for the purposes of UK taxation and that the provisions of Part 8 of the Taxation (International and Other Provisions) Act 2010 (the “**offshore funds rules**”) should not apply. Accordingly, gains realised by

Shareholders on disposal of their Shares should not be subject to UK taxation as income. For Shareholders who are resident or ordinarily resident in the UK, such gains may, depending on the Shareholder's circumstances and subject as mentioned below, be liable to UK capital gains tax or corporation tax on chargeable gains, and relief may be available for any losses. Such Shareholders are, however, referred to the risk factor on page 29 of this Prospectus in relation to the possible application of the offshore funds rules in the future.

Shareholders which are within the charge to UK corporation tax on chargeable gains will benefit from indexation allowance which, in general terms, increases the capital gains tax base cost of an asset in accordance with the rise in the retail prices index.

A Shareholder who is neither resident nor, in the case of a non-corporate Shareholder, ordinarily resident in the UK for UK taxation purposes is not subject to UK taxation on chargeable gains unless, in the case of a non-corporate Shareholder, he carries on a trade, profession or vocation in the UK through a branch or agency or, in the case of a corporate Shareholder, it carries on a trade in the UK through a permanent establishment and the assets disposed of are situated in the UK and are used or held for the purposes of the branch or agency or the permanent establishment (as the case may be) or are acquired for use by or for the purposes of that branch or agency or that permanent establishment (as the case may be).

A Shareholder who is an individual and who has ceased to be resident or ordinarily resident in the UK for tax purposes for a period of less than five years of assessment and who disposes of Shares during that period may also be liable, on his or her return to the UK, to capital gains tax on that gain.

Taxation of dividends on Shares

Dividend payments may be made without any deduction for or on account of UK tax (see above for the description of the treatment of distributions made by the Company as a matter of Guernsey tax law).

UK resident individual Shareholders holding less than 10 per cent. of the Shares

Dividends received by individual Shareholders will be subject to UK income tax. In the case of individuals holding less than 10 per cent. of the relevant share class, the tax is charged on the amount of any dividend paid as increased for any UK tax credit available, as described below.

UK resident individual Shareholders will (provided they hold less than 10 per cent. of the Shares) generally be entitled to a UK tax credit equal to one-ninth of the amount of the dividend received, which is equivalent to 10 per cent. of the aggregate of the dividend and the tax credit (together, the “**gross dividend**”). An individual Shareholder who is subject to income tax at a rate or rates not exceeding the basic rate will be liable to tax on the gross dividend at the rate of 10 per cent., so that the tax credit will satisfy the income tax liability of such Shareholder in full.

A Shareholder who is subject to income tax at the higher rate will be liable to income tax at the rate of 32.5 per cent. to the extent that such sum, when treated as the top slice of that Shareholder's income, falls above the threshold for higher rate income tax. Because tax is charged on the dividend plus the tax credit (together, the gross dividend), any tax credit lowers the effective rates of tax in respect of the dividend. So, for example, a dividend of £180 will carry a tax credit of £20 and the United Kingdom income tax payable on the gross dividend by an individual Shareholder who is subject to income tax at the higher rate would be 32.5 per cent. of £200, namely £65, less the tax credit of £20, leaving a net tax charge of £45 (an effective UK tax rate of 25 per cent.).

A Shareholder who is subject to tax at the “additional rate” will be liable to income tax at a rate of 42.5 per cent. to the extent that such sum, when treated as the top slice of that Shareholder's income, falls above the threshold for additional rate income tax (currently, £150,000). In the same way as in relation to a Shareholder who is subject to income tax at the higher rate, because tax is charged on the gross dividend (the dividend plus the tax credit), any tax credit lowers the effective rates of tax in respect of the dividend. So, for example, a dividend of £180 will carry a tax credit of £20 and the UK income tax payable on the gross dividend by an individual Shareholder who is subject to income tax at the dividend additional rate would be 42.5 per cent. of £200, namely £85, less the tax credit of £20, leaving a net tax charge of £65 (an effective UK tax rate of 36.1 per cent.).

The UK Government has announced its intention to reduce the 42.5 per cent. dividend rate to 37.5 per cent. from 6 April 2013, which, taking into account the tax credit, will result in an effective tax rate of 30.6 per cent.

UK resident corporate Shareholders

Unless the recipient is a “small company” (see below), dividends paid by the Company to a corporate Shareholder which is UK resident should fall within one or more of the classes of dividend qualifying for exemption from corporation tax, although the relevant exemptions are not comprehensive and are also subject to anti-avoidance rules.

Shareholders within the charge to UK corporation tax which are “small companies” (as that term is defined in section 931S of the Corporation Tax Act 2009) will be liable to corporation tax on dividends paid to them by the Company because the Company is not resident in a “qualifying territory” for the purposes of the legislation contained in the Corporation Tax Act 2009.

Non-UK resident Shareholders

A Shareholder who is not resident in the UK for UK tax purposes will not be liable to income or corporation tax in the UK on dividends paid on the Shares unless such a Shareholder carries on a trade (or profession or vocation) in the UK and the dividends are either a receipt of that trade or, in the case of corporation tax, the dividends are receipts of a trade carried on by the Shareholder through a UK permanent establishment.

Scrip Shares

UK resident individual Shareholders

On the basis of case law, UK resident individual Shareholders should not be treated as receiving any income liable to UK income tax to the extent that they elect to receive Scrip Shares instead of a cash dividend. Nor should any such Shareholder be treated as making any disposal for chargeable gains tax purposes at the time the Scrip Shares are allotted to them. Instead, the Scrip Shares and the original holding of Shares (the “**Original Holding**”) should be treated as a single holding acquired at the time of the Original Holding. There will be no allowable expenditure for chargeable gains tax purposes arising in respect of the Scrip Shares, and the allowable expenditure arising in respect of the Original Holding will be apportioned across the Original Holding and the Scrip Shares for the purposes of calculating any chargeable gain or allowable loss arising on any subsequent disposal of the Scrip Shares or the Original Holding.

UK resident corporate Shareholders

To the extent that UK resident corporate Shareholders elect to receive Scrip Shares, such Shareholders are expected to be treated as receiving an income distribution for corporation tax purposes. Accordingly, their tax treatment in respect of the receipt of such Scrip Shares should be the same as if they had received a cash dividend: the receipt should generally be exempt from corporation tax on income for UK resident corporate Shareholders which are not small companies (subject to the satisfaction of certain conditions), but liable to corporation tax on income in the hands of any UK resident corporate Shareholders which are small companies.

A subsequent disposal of the Scrip Shares may, depending on the UK resident corporate Shareholder’s individual circumstances, give rise to a liability to corporation tax on chargeable gains.

Remittance basis of taxation

In the case of Shareholders who are UK tax resident individuals domiciled outside the UK for UK tax purposes, and to whom the “remittance basis” of taxation applies, any dividends received in respect of the Shares and any gains arising on a disposal of the Shares will be subject to UK taxation only to the extent that the dividends or disposal proceeds are remitted to the UK. UK resident but non-domiciled individuals who have been resident in the UK for at least seven of the previous nine years will be subject to an annual charge of £30,000 if they wish to be taxed on overseas income and gains only on a remittance basis; otherwise all income and gains arising to such individuals will be subject to UK taxation whether or not remitted to the UK. The UK Government has announced its intention to increase the annual charge, from 6 April 2013, to £50,000 for non-domiciled individuals who have been resident in the UK for at least 12 of the previous 14 tax years. The £30,000 (or £50,000) charge is intended to be creditable under double taxation agreements. Certain exemptions apply; for example, no such charge applies to children or to individuals domiciled outside the United Kingdom who have unremitted offshore income and gains of less than £2,000 in a tax year.

Stamp duty and stamp duty reserve tax (“SDRT”)

No UK stamp duty, and no UK SDRT, will be payable on the issue of the Shares.

UK stamp duty (at the rate of 0.5 per cent., rounded up where necessary to the nearest £5 of the amount of consideration for the transfer) will in principle be payable on any instrument of transfer of the Shares which is executed in the UK or which “relates to any matter or thing done or to be done” in the UK, although in practice any such instrument will not require stamping in order for the register of Shares to be updated. Provided that the Shares are not registered in any register kept in the UK by or on behalf of the Company and that the Shares are not paired with Shares issued by a company incorporated in the UK, an agreement to transfer the Shares will not be subject to UK SDRT.

Inheritance tax

An individual Shareholder domiciled or deemed to be domiciled in the UK for inheritance tax purposes may be liable to inheritance tax on his or her Shares in the event of death or on making certain categories of lifetime transfers.

Other UK tax considerations

Transfer of assets abroad

The attention of UK resident individual Shareholders is drawn to the provisions of chapter 2 of Part 13 of the Income Tax Act 2007 (“ITA”), which may render such Shareholders liable to taxation in respect of the undistributed profits of the Company in circumstances where (broadly) their investment in the Company was made for UK tax avoidance reasons.

Controlled foreign companies

The attention of UK resident corporate Shareholders is drawn to the fact that the “controlled foreign companies provisions” contained in Chapter IV of Part 17 of the Income and Corporation Taxes Act 1988 could be material to any UK resident company that holds alone, or together with certain other associated persons, 25 per cent. or more of the Shares, if at the same time the Company is controlled by companies or any other persons who are resident in the UK for taxation purposes (or is controlled by two persons taken together, one of whom is resident in the UK for tax purposes and has at least 40 per cent. of the interests, rights and powers by which those persons control the Company, and the other of whom has at least 40 per cent. and not more than 55 per cent. of such interests and powers). Persons who may be treated as “associated” with each other for these purposes include two or more companies one of which controls the other(s) or all of which are under common control. The effect of such provisions could be to render such companies liable to tax, equivalent to UK corporation tax, in respect of the undistributed income profits of the Company. Companies resident in the UK should be aware that the Finance Act 2012 contains provisions for a new controlled foreign companies regime, due to apply in relation to accounting periods of controlled foreign companies commencing on or after 1 January 2013. The considerations arising under the new controlled foreign companies regime (if any) are broadly similar to those arising under the existing regime (if any).

Other provisions

More generally, the attention of Shareholders is drawn to the provisions of (in the case of a UK resident individual Shareholder) Chapter 1 of Part 13 ITA and (in the case of a UK resident corporate Shareholder) Part 15 of the Corporation Tax Act 2010, which give powers to HMRC to cancel tax advantages derived from certain transactions in securities (the “**transactions in securities rules**”).

The attention of Shareholders is also drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances, capital gains made by a non-UK resident company may be attributed to a UK resident investor who, alone or together with associated persons, has more than a 10 per cent. interest in the company (the “**section 13 provisions**”).

It is not currently anticipated that either the transactions in securities rules or the section 13 provisions will be relevant in respect of an investment in the Company, but they could become relevant if the Company were to become a “close company” (a “close company” being a company which, very broadly, is under the control of five or fewer persons) and in certain other limited circumstances.

PART VII – ADDITIONAL INFORMATION

1. Incorporation, administration and investment structure of the Company

- 1.1 The Company is a registered closed-ended collective investment scheme incorporated as a non-cellular company limited by shares and incorporated in Guernsey under the Companies Laws on 14 August 2012 under the name “Battle Against Cancer Investment Trust Limited” with registered number 55514, having an indefinite life. By special resolution of the founder Shareholder of the Company, the Company changed its name to BACIT Limited with effect from 20 August 2012.
- 1.2 The registered office and principal place of business of the Company is Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL, Channel Islands and the telephone number is +44 1481 745001.
- 1.3 The Company operates under the Companies Laws and ordinances and regulations made thereunder and has no employees.
- 1.4 The Company is regulated by the GFSC. The Company not regulated by the FSA or an equivalent EU regulator.
- 1.5 The Company will conduct its investment activities through the Limited Partnership, in which it will be the sole limited partner. The general partner of the Limited Partnership is the General Partner, which is a wholly-owned Guernsey incorporated subsidiary of the Company. The General Partner has the same directors as the Company. The Company will contribute the proceeds of the Offer (net of the formation and initial expenses of the Company and its subsidiaries and subsidiary undertakings and the Company’s short term working capital requirements) to the Limited Partnership which will, in turn, make investments and hold assets in a manner consistent with the Company’s investment policy.

2. Share capital of the Company

- 2.1 At incorporation, one Share was subscribed by the subscriber to the Memorandum of Incorporation. Upon incorporation, the Company was authorised to issue an unlimited number of Shares with or without par value.
- 2.2 By special resolution of the founder Shareholder of the Company, passed on 28 September 2012, replacement articles of incorporation were adopted, which set out the different classes of shares that may be issued by the Company and the rights and restrictions attaching to them. The unclassified shares may be issued as, amongst other things, an unlimited number of shares of no par value on such terms and conditions as the Directors may from time to time determine in accordance with the Articles and the Companies Laws (which upon issue the Directors may classify as C Shares as shall be determined at the discretion of the Board).
- 2.3 The maximum issued share capital of the Company (all of which will be fully paid) immediately following Admission will be 500,000,000 Shares. The sole subscriber share issued by the Company on incorporation was redesignated (by special resolution of the founder Shareholder dated 28 September 2012) as a Deferred Share and transferred to the BACIT Foundation on 28 September 2012.
- 2.4 By special resolution of the founder Shareholder of the Company, passed on 28 September 2012, the Company has been granted Shareholder authority (subject to the Listing Rules and all other applicable legislation and regulations) to make market purchases of up to 14.99% per annum of the aggregate Shares in issue immediately following Admission. This authority will expire at the conclusion of the first annual general meeting of the Company or, if earlier, 18 months from the date of the resolution.
- 2.5 The Articles provide that the Company is not permitted to allot and issue equity securities (being shares or rights to subscribe for, or convert securities into, shares) or sell (for cash) any shares held in treasury, unless it shall first have made an offer to each person who holds equity securities of the same class to allot to him on the same or more favourable terms a proportion of those securities that is as nearly as practicable equal to the proportion in number held by him of the share capital of the Company and the period for acceptance of such offer has expired or the Company has received notice of acceptance or refusal of every offer made. These pre-emption rights may be excluded or modified by special resolution of the shareholders. Subject to these pre-emption rights, the Directors have power to issue further Shares, although, except as otherwise described in this Prospectus, they have no current intention to do so.

- 2.6 By special resolution of the founder Shareholder of the Company, passed on 28 September 2012, the Company has disappplied and excluded the pre-emption rights set out in the Articles in relation to (i) the issue of Shares pursuant to the Offer; (ii) the issue of up to 500,000,000 C Shares immediately following Admission; and (iii) the issue of Shares representing in aggregate less than ten per cent. of the number of Shares admitted to trading on the London Stock Exchange's main market for listed securities immediately following Admission. This disapplication and exclusion will expire upon the fifth anniversary of Admission. The Company intends to seek Shareholder authority to disapply and exclude pre-emption rights in this way on an annual basis.
- 2.7 As the Shares will not have a par value, the Offer Price per Share will consist solely of share premium and the amounts raised will be credited in the books of the Company as share capital in accordance with the Companies Laws. In addition, there will be one non-participating non-redeemable Deferred Share having the right to payment of £1 on the liquidation of the Company and carrying a right to vote only if there are no other classes of voting share of the Company in issue but no other rigths.

3. The Limited Partnership and the General Partner

- 3.1 The Limited Partnership was registered on 27 September 2012 as a limited partnership with separate legal personality under The Limited Partnerships (Guernsey) Law, 1995, as amended, with the name BACIT Investments LP Incorporated and registered number 1754. The principal place of business of the Limited Partnership is at Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL Channel Islands.
- 3.2 The Limited Partnership is governed by the limited partnership agreement dated 25 September 2012 between the General Partner as general partner and the Company as the sole limited partner (the "**Limited Partnership Agreement**").
- 3.3 The Limited Partnership has no assets or liabilities as at the date of this Prospectus, other than a nominal amount of partnership capital contributed by the General Partner and the Company. The Company will contribute the proceeds of the Offer (net of the formation and initial expenses of the Company and its subsidiaries and subsidiary undertakings and the Company's short term working capital requirements) to the Limited Partnership which will, in turn, make investments and hold assets in a manner consistent with the Company's investment policy.
- 3.4 The Limited Partnership Agreement provides that the Company will be the sole limited partner of the Limited Partnership and that the General Partner will be the sole general partner of the Limited Partnership. Pursuant to the Limited Partnership Agreement, the General Partner is entitled to an annual profit share equal to one per cent. of the Net Asset Value of the Company. The General Partner will use the annual profit share to fund the Annual Donation as at the final date of the relevant financial year (or the proportionate fraction thereof in respect of any partial year), as described elsewhere in this Prospectus.
- 3.5 The General Partner is a non-cellular company limited by shares incorporated in Guernsey under the Companies Laws on 22 August 2012 with registered number 55549, having an unlimited life. The registered office and principal place of business of the General Partner is Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL, Channel Islands and the telephone number is +44 1481 745001.

4. Memorandum of Incorporation and Articles of Incorporation of the Company

- 4.1 The Company's Memorandum of Incorporation does not limit the objects of the Company. The Memorandum of Incorporation is available for inspection at the address specified in paragraph 1.2 above and at the offices of Freshfields Bruckhaus Deringer LLP, as set out in paragraph 19.1 of this Part VII.
- 4.2 The Articles contain (amongst other things) provisions to the following effect:

Share capital

- 4.3 Without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares, any Share (or option, warrant or other right in respect of a Share) in the Company may be issued with such preferred, deferred or other special rights or restrictions, whether as to dividend, voting, return of capital or otherwise, as the Board may determine. To the extent required by sections 292 and 293 of the Companies Laws, the Board is authorised to

issue an unlimited number of Shares (or options, warrants or other rights in respect of Shares) (subject only to any limitation in the Articles) which authority shall expire five years after the date of adoption of the Articles; in the event that the restrictions in section 292(3)(a) and/or (b)(i) of the Companies Laws are amended or removed, such authority shall be to the extent and for as long as is legally permissible. This authority may be further extended in accordance with the provisions of the Companies Laws.

Share rights

- 4.4 Subject to the Articles and the terms and rights attaching to Shares already in issue, shares may be issued with or have attached such rights and restrictions as the Board may from time to time decide. Further the Board also has the power to determine on issue that any shares are redeemable in accordance with the Articles and the Companies Laws and may, with the approval of the relevant class of Shareholders convert any Shares already in issue into redeemable shares.

Issue of Shares

- 4.5 Subject to the provisions of the Articles, the unallotted and unissued Shares of each class shall be at the disposal of the Board which may dispose of them to such persons, in such a manner and on such terms and conditions, and at such times as it determines. Without prejudice to the authority conferred on the Directors pursuant to the Articles, the Directors are generally and unconditionally authorised to exercise all powers of the Company to allot and issue, grant rights to subscribe for, or to convert any securities into, an unlimited number of Shares in the Company, which authority shall expire on the date which is five years from the date of incorporation of the Company (unless previously renewed, revoked or varied by the Company in a general meeting) save that the Company may before such expiry make an offer or agreement which would or might require Shares to be allotted and issued after such expiry and the Directors may allot and issue Shares in pursuance of such an offer or agreement as if the authority conferred had not expired.

Pre-emption rights

- 4.6 Under the Articles, the Company is not allowed to allot or issue any shares, including treasury shares, of any class for cash unless it has first made an offer to each existing holder of the same class of shares on the same or more favourable terms and in proportion to their existing holdings. These provisions do not apply to shares issued as scrip dividends.
- 4.7 The pre-emptive offer must remain open for a minimum of 21 days and may not be withdrawn. If the offer is not accepted within this period it will be deemed to have been declined. After the expiration of the period, or if earlier, on receipt of acceptances or refusals from all Shareholders to whom the offer was made, the Board may aggregate and dispose of those shares that have not been taken up in such a manner as they determine is most beneficial to the Company.
- 4.8 Neither the Company nor the Board shall be obliged to extend the pre-emption rights to shareholders with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable.
- 4.9 The Company may disapply or modify pre-emption rights by extraordinary resolution. Furthermore, the Board is empowered to allot and issue up to five per cent. of the number of Shares in issue at the time of Admission for cash, provided that this authority will, unless renewed, varied or revoked by the Company in a general meeting, expire on the date which is five years from the date of incorporation of the Company.

Voting rights

- 4.10 Each Shareholder shall have one vote for each Share held by it. However, if that Share is not fully paid up then the Shareholder is not entitled to attend or vote at any general meeting or separate class meeting. Further, if the Shareholder fails to disclose his interest in the Shares within 14 days, in a case where the Shares in question represent at least 0.25 per cent. of the number of shares in issue of the class of shares concerned, and within 28 days, in any other case, of receiving notice requiring the same, then the Board may determine that the Shareholder may not attend or vote at any general meeting or separate class meeting. The Deferred Share shall carry the right to vote only if there are not other classes of voting shares of the Company in issue.

- 4.11 Where there are joint registered holders of any Share, such persons shall not have the right of voting individually in respect of that Share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the share register of the Company in respect of that Share shall alone be entitled to vote.

Dividends and other distributions

- 4.12 The Directors may from time to time authorise dividends and distributions to be paid to shareholders on a class by class basis in accordance with the procedure set out in the Companies Laws and subject to any Shareholder's rights attaching to their Shares. The amount of such dividends or distributions paid in respect of one class may be different from that of another class.
- 4.13 All dividends and distributions declared in respect of a class of shares shall be apportioned among the holders of shares of such class *pro rata* to their respective holdings of such class.
- 4.14 All unclaimed dividends and distributions may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends unclaimed on the earlier of (i) a period of seven years after the date when it first became due for payment and (ii) the date on which the Company is wound-up shall be forfeited and shall revert to the Company without the necessity for any declaration or other action on the part of the Company.

Shares

- 4.15 Subject to the exceptions set out in paragraphs 4.22 to 4.28 of this Part VII under the section headed "*Transfer of Shares*", the Shares are freely transferable and Shareholders are entitled to participate (in accordance with the rights specified in the Articles) in the assets of the Company attributable to their Shares on a winding-up of the Company or a winding-up of the business of the Company.
- 4.16 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. No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

C Shares

- 4.17 The Articles permit the Directors to issue C Shares on the following terms. Defined terms used in this paragraph are set out at the end of the paragraph.
- (a) The Articles permit the Directors to issue C Shares of such classes as they may determine in accordance with the Articles and with C Shares of each such class being convertible into Ordinary Shares (being the "**New Ordinary Shares**").
 - (b) The Directors shall, on the issue of each class of C Shares, determine the Calculation Time and Conversion Time for such class and shall be entitled to effect any amendments to the definition of Conversion Ratio attributable to such class.
 - (c) Notwithstanding any other provision of the Articles: (i) the holders of any class of C Shares will be entitled to receive such dividends as the Directors may resolve to pay to such holders out of the assets attributable to such class of C Shares (as determined by the Directors); (ii) the New Ordinary Shares arising upon Conversion shall rank *pari passu* with all other New Ordinary Shares of the same class for dividends and other distributions declared, made or paid by reference to a record date falling after the relevant Calculation Time and holders of the New Ordinary Shares shall receive all the rights accruing to the relevant class of New Ordinary Shares, including such number of votes per share of the relevant class of New Ordinary Shares as is designated to such shares in accordance with the Articles; (iii) no dividend or other distribution shall be made or paid by the Company on any of its shares between the Calculation Time and the Conversion Time (both dates inclusive) and no dividend shall be declared with a record date falling between the Calculation Time and the Conversion Time (both dates inclusive); (iv) the capital and assets of the Company shall on a winding up or on a return of capital (other than by way of the repurchase or redemption of shares by the Company) prior, in each case, to Conversion shall be applied as follows: (A) the Ordinary Share Surplus shall be divided

amongst the holders of Ordinary Shares *pro rata* to their holdings of Ordinary Shares as if the Ordinary Share Surplus comprised the assets of the Company available for distribution; and (B) the C Share Surplus attributable to each class of C Shares shall be divided amongst the C Shareholders of such class *pro rata* according to their holdings of C Shares of that class; and (v) the C Shares shall be transferable in the same manner as the Ordinary Shares.

- (d) Subject to the provisions of the Articles and any special rights, restrictions or prohibitions as regards voting for the time being attached to any C Shares, the C Shares shall carry the right to receive notice of and attend and/or vote at any general meeting of the Company or class meeting and at any such meeting.
- (e) The C Shares are issued on the terms that each class of C Shares shall be redeemable by the Company in accordance with the terms of the Articles.
- (f) Without prejudice to the generality of the Articles, until Conversion the consent of the holders of C Shares as a class (irrespective of whichever class of C Shares they may hold) shall be required for, and accordingly the special rights attached to any class of C Shares shall be deemed to be varied, *inter alia*, by any alteration to the memorandum of incorporation of the Company or the Articles or the passing of any resolution to wind up the Company.
- (g) Until Conversion and without prejudice to its obligations under the Companies Laws, the Company shall in relation to each class of C Shares establish a separate Class Account for that class in accordance with the Articles and, subject thereto: (i) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the relevant class of C Shares can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to each class of C Shares; and (ii) allocate to the assets attributable to each class of C Shares such proportion of the income, expenses or liabilities of the Company incurred or accrued between the Issue Date and the Calculation Time (both dates inclusive) as the Directors fairly consider to be attributable to such class of C Shares including, without prejudice to the generality of the foregoing, those liabilities specifically identified in the definition of "Conversion Ratio" below; and (iii) give appropriate instructions to the Administrator to manage the Company's assets so that such undertakings can be complied with by the Company.
- (h) Each class of C Shares shall be converted into New Ordinary Shares at the Conversion Time in accordance with the provisions of paragraphs (i) to (o).
- (i) The Directors shall procure that within twenty Business Days after the Calculation Time: (i) the Administrator or, failing which, an independent accountant selected for the purpose by the Board, shall be requested to calculate the Conversion Ratio as at the Calculation Time and the number of New Ordinary Shares to which each holder of C Shares of the relevant class shall be entitled on Conversion; and (ii) the Auditor may, if the Directors consider it appropriate, be requested to certify whether such calculations have been performed in accordance with the Articles and are arithmetically accurate, whereupon, subject to the proviso in the definition of "Conversion Ratio", such calculations shall become final and binding on the Company and all Shareholders. If the Auditor is unable to confirm the calculations of the Administrator or independent accountant, as described above, the Conversion shall not proceed.
- (j) The Directors shall procure that, as soon as practicable, and following its determination or certification (as the case may be), an announcement through an RIS provider is made advising holders of C Shares of that class of the Conversion Time, the Conversion Ratio and the aggregate numbers of New Ordinary Shares to which holders of C Shares of that class are entitled on Conversion.
- (k) Conversion of each class of C Shares shall take place at the Conversion Time designated by the Directors for that class of C Shares. On Conversion the issued C Shares of the relevant class shall automatically convert (by redesignation and/or sub-division and/or consolidation and/or a combination of both, or otherwise as appropriate) into such number of New Ordinary Shares as equals the aggregate number of C Shares of the relevant class

in issue at the Calculation Time multiplied by the Conversion Ratio (rounded down to the nearest whole New Ordinary Share) and if, as a result of the Conversion, the Shareholder concerned is entitled to: (i) more shares of the relevant class of New Ordinary Shares than the number of original C Shares of the relevant class, additional New Ordinary Shares of the relevant class shall be allotted and issued accordingly; or (ii) fewer shares of the relevant class of New Ordinary Shares than the number of original C Shares of the relevant class, the appropriate number of original C Shares shall be cancelled accordingly.

- (l) Notwithstanding the provisions of paragraph (k), Conversion of the original C Shares of the relevant class may be effected in such other manner permitted by applicable legislation as the Directors shall from time to time determine.
- (m) The New Ordinary Shares of the relevant class arising upon Conversion shall be divided amongst the former holders of the relevant class of C Shares *pro rata* according to their respective former holdings of the relevant class of C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to the New Ordinary Shares, including, without prejudice to the generality of the foregoing, selling or redeeming any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is authorised as agent on behalf of the former holders of C Shares of the relevant class to do any other act or thing as may be required to give effect to the same including, in the case of a share in Certificated Form, to execute any stock transfer form and, in the case of a share in Uncertificated Form, to give directions to or on behalf of the former holder of C Shares of the relevant class who shall be bound by them.
- (n) Forthwith upon Conversion, any certificates relating to C Shares of the relevant class shall be cancelled, the Register shall be updated and the Company shall issue to each such former holder of C Shares of the relevant class new certificates in respect of the shares of the relevant class which have arisen upon Conversion, unless such former holder of C Shares of the relevant class elects to hold such shares in Uncertificated Form, and the Register shall be updated accordingly.
- (o) The Company will use its reasonable endeavours to procure that, upon Conversion, the resulting New Ordinary Shares are admitted to trading on the London Stock Exchange's main market for listed securities.

The following definitions are only relevant for the purposes of the foregoing:

“Calculation Time” means the earliest of:

- (i) the close of business on the last Business Day prior to the day on which Force Majeure Circumstances (as defined below) have arisen or the Directors resolve that they are in contemplation;
- (ii) the close of business on such date as the Directors may decide is necessary to enable the Company to comply with its obligations in respect of Conversion of the relevant class of C Shares;
- (iii) the close of business on the back stop date (being a date specified by the Directors) for the relevant class of C Shares; and
- (iv) the close of business on such date as the Directors may determine, in the event that the Directors, in their discretion, resolve that at least 90 per cent. of the assets attributable to the relevant class of C Shares (or such other percentage as the Directors may decide as part of the terms of issue of the relevant class of C Shares) have been invested in accordance with the Company's investment policy.

“C Shares” means redeemable convertible ordinary Shares of no par value in the capital of the Company issued and designated as a C Share of such class, denominated in such currency, and convertible into such New Ordinary Shares, as may be determined by the Directors at the time of issue;

“C Share Surplus” means, in relation to any class of C Shares, the net assets of the Company attributable to that class of C Shares (as determined by the Directors) at the date of winding up or other return of capital;

“Conversion” means, in relation to any tranche of C Shares, conversion of that tranche of C Shares as described in sub-paragraphs (h) to (o) above;

“Conversion Ratio” means, in relation to each class 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 class of C Shares (as determined by the Directors) at the relevant Calculation Time calculated in accordance with the accounting principles adopted by the Directors from time to time;
- D** is the amount which (to the extent not otherwise deducted in the calculation of C) in the Directors’ opinion fairly reflects at the relevant Calculation Time the amount of the liabilities and expenses of the Company attributable to the C Shares of the relevant class (as determined by the Directors);
- E** is the number of the C Shares of the relevant class in issue as at the relevant Calculation Time;
- F** is the aggregate value of all assets and investments attributable to the Ordinary Shares (as determined by the Directors) at the relevant Calculation Time calculated in accordance with the accounting principles adopted by the Directors from time to time;
- G** is the amount which, (to the extent not otherwise deducted in the calculation of F) in the Directors’ opinion, fairly reflects at the relevant Calculation Time the amount of the liabilities and expenses of the Company attributable to the Ordinary Shares; and
- H** is the number of Ordinary Shares in issue as at the relevant Calculation Time;

Provided always that:

- (a) the Directors shall be entitled to make such adjustments to the value or amount of A and/or B as they believe to be appropriate having regard to, among other things, the assets of the Company immediately prior to the Issue Date or the Calculation Time or to the reasons for the issue of the C Shares of the relevant class;
- (b) in relation to any class of C Shares, the Directors may, as part of the terms of issue of such class, amend the definition of Conversion Ratio in relation to that class;
- (c) where valuations are to be made as at the Calculation Time and the Calculation Time is not a Business Day, the Directors shall apply the provisions of this definition as if the Calculation Time were the preceding Business Day;
- (d) where the admission of C Shares takes place not later than 10 Business Days after a NAV Calculation Date, the Directors may in their absolute discretion substitute for C above (and for any other valuation of the investments attributable to the C Shares of the relevant class used in calculating the Conversion Ratio) the gross proceeds of the issue of the relevant class of C Shares or, where the costs and expenses of such issue are not taken into account in calculating D above (or for any other valuation of the liabilities and expenses attributable to the C Shares of the relevant class in calculating the Conversion Ratio), the net proceeds and the C Shares shall be deemed to have been in issue at the Calculation Time.

“Conversion Time” means, in relation to any class of C Shares, a time following the Calculation Time, being the opening of business in London on such Business Day as may be selected by the Directors and falling not more than 20 Business Days after the Calculation Time;

“Force Majeure Circumstances” means in relation to any tranche of C Shares:

- (i) any political or economic circumstances or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable;

- (ii) the issue of any proceedings challenging, or seeking to challenge, the power of the Company or its Directors to issue the C Shares of that class with the rights proposed to be attached to them or to the persons to whom they are, or the terms on which they are, proposed to be issued; or
- (ii) the convening of any general meeting of the Company at which a resolution is to be proposed to wind up the Company.

“**Issue Date**” means, in relation to any class of C Shares, the date on which the admission of that class of C Shares to trading on the London Stock Exchange’s main market for listed securities becomes effective or, if later, the day on which the Company receives the net proceeds of the issue of the relevant class of C Shares;

“**New Ordinary Shares**” means the Shares of the class into which C Shares of a particular class are converted as determined by the Directors at the time of issue of that class of C Shares;

“**Ordinary Share Surplus**” means the net assets of the Company attributable to the Ordinary Shares (as determined by the Directors) at the date of winding up or other return of capital; and

References to “**C Shareholders**” shall be construed as references to holders for the time being of C Shares, or, if there is more than one tranche of C Shares in issue at the relevant time, C Shares of the relevant tranche.

References to the auditors certifying any matter shall be construed to mean certification of their opinion as to such matter, whether qualified or not.

Winding-up

- 4.18 Subject to the rights of the Deferred Share, on a winding-up the surplus assets remaining after payment of all creditors shall be divided amongst the classes of shares then in issue (if more than one) in the same proportions as capital is attributable to them at the relevant winding-up date as calculated by the Directors or the liquidator in their discretion and, within each such class, such assets shall be divided equally among the holders of shares of the relevant class in proportion to the number of Shares of the relevant class held at the commencement of the winding-up, subject in any such case to the rights of any Shares which may be issued with special rights or privileges.

Determination of NAV

- 4.19 A description of the policy which the Company adopts in valuing its net assets (and which is included in the Articles) can be found in Part V of this Prospectus under the section headed “*Valuation Policy*”.

Variation of rights

- 4.20 If at any time the shares of the Company are divided into different classes, all or any of the rights at the relevant time attached to any share or class of shares (whether or not the Company may be in liquidation) may be varied or abrogated in such manner (if any) as may be provided by those rights or, in the absence of such provision, either with the consent in writing of the holders of more than half of the issued Shares of that class or with the sanction of an ordinary resolution passed at a separate general meeting of the holders of the Shares of that class. The quorum at such meeting (other than an adjourned meeting where the quorum shall be one holder entitled to vote and present in person or by proxy) shall be two persons holding or representing by proxy at least one-third in value of the issued Shares (excluding any Shares of that class held as treasury shares) of the class in question.
- 4.21 The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of issue of the Shares of that class) be deemed to be varied by (i) the creation or issue of further Shares ranking as regards the profits or assets of the Company in some or all respects *pari passu* with them but in no respect in priority to them or (ii) the purchase or redemption by the Company of any of its own Shares (or the holding of such Shares as treasury Shares).

Transfer of Shares

- 4.22 Subject to the Articles (and the restrictions on transfer contained therein) and the terms of issue of the Shares, a Shareholder may transfer all or any of his Shares in any manner which is permitted by the Companies Laws or in any other manner which is from time to time approved by the Board.
- 4.23 A transfer of a Certificated Share shall be in the usual common form or in any other form approved by the Board. An instrument of transfer of a Certificated Share shall be signed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee.
- 4.24 Subject to the Articles (and the restrictions on ownership contained therein), a Shareholder may transfer an Uncertificated Share by means of a relevant system authorised by the Board or in any other manner which may from time to time be approved by the Board.
- 4.25 The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any Share in Certificated Form or Uncertificated Form (subject to the Articles) which is not fully paid or on which the Company has a lien provided that, in the case of a Share, this would not prevent dealings in the Shares of that class from taking place on an open and proper basis on the London Stock Exchange.
- 4.26 In addition, the Board may refuse to register a transfer of Shares if (i) in the case of Certificated Shares (a) it is in respect of more than one class of Shares, (b) it is in favour of more than four joint transferees or (c) it is delivered for registration to the registered office of the Company or such other place as the Board may decide and is not accompanied by the certificate for the Shares to which it relates and such other evidence of title as the Board may reasonably require and (ii) the transfer is in favour of any person, as determined by the Directors, to whom a sale or transfer of Shares, or in relation to whom the sale or transfer of a direct or beneficial holding of Shares, would or might result in (x) the Company being required to register as an investment company under the Investment Company Act, (y) benefit plan investors (“**Plan Investors**”) (as defined in Section 3(42) of ERISA) acquiring an aggregate interest exceeding 25 per cent. of the value of any equity class in the Company or (z) the assets of the Company being deemed to be assets of a Plan Investor
- 4.27 The Board have the power: to require the sale or transfer of Shares in certain circumstances. Such power may be exercised to prevent (i) the Company from being in violation of, or required to register under, the Investment Company Act or being required to register the Shares under the Security Act or the Securities Exchange Act (including in order to maintain the status of the Company as a “foreign private issuer” for the purposes of those Acts); (ii) any member of the Group being in violation of, or required to register under or report pursuant to, the Investment Adviser Act; (iii) the assets of the Company from being deemed to be assets of an employee benefit plan within the meaning of ERISA or of a plan within the meaning of Section 4975 of the Code; (iv) any member of the Group from being in violation of, or required to register under, the CEA; and (v) any member of the Group from having compliance obligations under, or from being in violation of, the Hiring Incentive for Restoring Employment Act of 2010 (which incorporates the anti-avoidance revenue provisions contained in FATCA) or otherwise not being in compliance with the Investment Company Act, ERISA, the CEA, FATCA or the Code.
- 4.28 The Board may decline to register a transfer of an Uncertificated Share which is traded through the CREST UK system in accordance with the CREST rules where, in the case of a transfer to joint holders, the number of joint holders to whom Uncertificated Shares is to be transferred exceeds four.

Discount management

- 4.29 The Articles provide that Shareholders will be entitled to vote on the discontinuation of the Company every five years, starting with the annual general meeting in 2017 and at every fifth annual general meeting thereafter. The vote will require more than 50 per cent. of the votes cast on the resolution to be in favour to require the Directors to formulate proposals, to be put to Shareholders within six months of such resolution being passed, for the reorganisation or reconstruction of the Company.

General meetings

- 4.30 The first general meeting (being an annual general meeting) of the Company shall be held within such time as may be required by the Companies Laws and thereafter general meetings (which are annual general meetings) shall be held at least once in each calendar year and in any event, no more than 15 months since the last annual general meeting. All general meetings (other than annual general meetings) shall be called extraordinary general meetings. Extraordinary general meetings and annual general meetings shall be held in Guernsey or such other place outside the UK as may be determined by the Board from time to time.
- 4.31 The notice of meeting must specify the date, time and place of any general meeting and the text of any proposed special or ordinary resolution.
- 4.32 The Shareholders may require the Board to call an extraordinary general meeting in accordance with the Companies Laws.

Directors

- 4.33 Unless otherwise determined by the Shareholders by ordinary resolution, the number of Directors shall not be less than two and there shall be no maximum number. At no time shall a majority of the Board be resident in the UK for UK tax purposes.
- 4.34 A Director need not be a Shareholder. A Director who is not a Shareholder shall nevertheless be entitled to attend and speak at Shareholders' meetings.
- 4.35 Subject to the Articles, a person may be appointed as a Director by the Board (either to fill a vacancy or as an additional Director). No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless not less than seven and not more than 42 clear days before the date appointed for the meeting there shall have been left at the Company's registered office (or, if an electronic address has been specified by the Company for such purposes, sent to the Company's electronic address) notice in writing signed by a Shareholder who is duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected, specifying his tax residency status and containing a declaration that he is not ineligible to be a Director in accordance with the Companies Laws.
- 4.36 No person shall be or become incapable of being appointed a Director, and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age.
- 4.37 Subject to the Articles, at each annual general meeting of the Company, all the Directors at the date of the notice convening the annual general meeting shall retire from office and each Director may offer himself for election or re-election by the Shareholders.
- 4.38 A Director who retires at an annual general meeting may, if willing to continue to act, be elected or re-elected at that meeting. If he is elected or re-elected he is treated as continuing in office throughout. If he is not elected or re-elected, he shall remain in office until the end of the meeting or (if earlier) when a resolution is passed to appoint someone in his place or when a resolution to elect or re-elect the Director is put to the meeting and lost.
- 4.39 The office of a Director shall be vacated:
- (a) if he (not being a person holding an executive office which is for a fixed term subject to termination if he ceases for any cause to be a Director) resigns his office by one month's written notice signed by him sent to or deposited at the Company's registered office;
 - (b) if he dies;
 - (c) if the Company requests that he resigns his office by giving one month's written notice;
 - (d) if he absents himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of 12 months and the Board resolves that his office shall be vacated;
 - (e) if he becomes bankrupt or makes any arrangements or composition with his creditors generally;
 - (f) if he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under the provisions of any law or enactment;

- (g) if he is requested to resign by written notice signed by a majority of his fellow Directors (being not less than two in number);
 - (h) if the Company by ordinary resolution shall declare that he shall cease to be a Director;
 - (i) if he becomes resident in the UK for tax purposes and, as a result thereof, a majority of the Directors would, if he were to remain a Director, be resident in the UK for tax purposes; or
 - (j) if he becomes ineligible to be a Director in accordance with the Companies Laws.
- 4.40 Any Director may, by notice in writing, appoint any other person (subject to the provisions in paragraph 4.41 below), who is willing to act as his alternate and may remove that other person from that office.
- 4.41 Each alternate Director shall be either (i) resident for tax purposes in the same jurisdiction as his appointor or (ii) resident outside the UK for UK tax purposes, in each case for the duration of the appointment of that alternate Director and in either case shall also be eligible to be a Director under the Companies Laws and shall sign a written consent to act.
- 4.42 Every appointment or removal of an alternate Director shall be by notice in writing signed by the appointor and served upon the Company.

Proceedings of the Board

- 4.43 The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two. Subject to the Articles, a meeting of the Board at which a quorum is present shall be competent to exercise all the powers and discretion exercisable by the Board.
- 4.44 All meetings of the Board are to take place outside the UK and any decision reached or resolution passed by the Directors at any meeting of the Board held within the UK or at which no majority of Directors resident outside the UK (and not within the UK) for UK tax purposes is present shall be invalid and of no effect.
- 4.45 The Board may elect one of their number as chairman. If no chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.
- 4.46 Questions arising at any meeting shall be determined by a majority of votes. In the case of a tie, the Chairman shall have a casting vote.
- 4.47 The Board may delegate any of its powers to committees consisting of two or more Directors as it thinks fit with a majority of such Directors being resident outside of the UK for UK tax purposes. Committees shall only meet outside the UK. Any committee so formed shall be governed by any regulations that may be imposed on it by the Board and (subject to such regulations) by the provisions of the Articles that apply to meetings of the Board.

Remuneration of Directors

- 4.48 The Directors, other than any alternate Director, shall be entitled to receive fees for their services as Directors. Those fees for all the Board collectively shall not exceed £500,000 in any financial year in aggregate (or such larger sum as the Company may, by ordinary resolution, determine). Any fee payable in this manner shall be distinct from any salary, remuneration or other amounts payable to a Director under other provisions of the Articles and shall accrue from day to day.
- 4.49 The Board may grant reasonable additional remuneration to any Director who performs any special or extra services to, or at the request of, the Company. Further, the Directors shall be paid all reasonable travelling, hotel and other expenses properly incurred by them in and about the performance of their duties.

Pensions and gratuities for Directors

- 4.50 The Board may pay gratuities, pensions or other retirement, superannuation, death or disability benefits to any Director or former Director.

Permitted interests of Directors

4.51 Subject to the provisions of the Companies Laws, and provided that he has disclosed to the other Directors in accordance with the Companies Laws the nature and extent of any material interest of his, a Director, notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company, or in which the Company is otherwise interested;
- (b) may act for the Company by himself or through his firm in a professional capacity (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- (c) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, a shareholder of or otherwise directly or indirectly interested in, any body corporate promoted by the Company, or with which the Company has entered into any transaction, arrangement or agreement or in which the Company is otherwise interested; and
- (d) shall not by reason of his office be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

4.52 For the purposes of the Articles:

- (a) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a Director is unaware shall not be treated as an interest of his.

4.53 A Director shall be counted in the quorum at any meeting in relation to any resolution in respect of which he has declared an interest and may not vote thereon.

4.54 A Director may continue to be or become a director, managing director, manager or other officer, employee or member of any company promoted by the Company or in which the Company may be interested or with which the Company has entered into any transaction, arrangement or agreement, and no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, manager, or other officer or member of any such other company.

4.55 Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, managers or other officers of such company, or voting or providing for the payment of remuneration to the directors, managing directors, managers or other officers of such company).

4.56 Any Director who, by virtue of office held or employment with any other body corporate, may from time to time receive information that is confidential to that other body corporate (or in respect of which he owes duties of secrecy or confidentiality to that other body corporate) shall be under no duty to the Company by reason of his being a Director to pass such information to the Company or to use that information for the benefit of the Company, in either case where the same would amount to breach of confidence or other duty owed to that other body corporate.

Borrowing powers

4.57 The Board may exercise the powers of the Company to incur leverage for the purpose of financing Share repurchases or redemptions, making investments, or satisfying working capital requirements, or to assist in payment of the Annual Donation. Borrowings of the Company may not exceed 20 per cent. of NAV as at the time of the borrowing, unless approved by the Company by an ordinary resolution. Currently, the Board does not intend that the Company will incur any borrowings.

Indemnity of Directors and other officers

4.58 Subject to applicable law, the Company may indemnify any Director or a Director who has been appointed as a director of any subsidiary undertaking against any liability except such (if any) as he shall incur by or through his own default, breach of trust or breach of duty in relation to the Company or negligence and may purchase and maintain insurance against any liability for any Director or a Director who has been appointed as a director of any subsidiary undertaking.

Untraced Shareholders

4.59 The Company may sell any Share of a Shareholder, or any Share to which a person is entitled by transmission or death or bankruptcy, at the best price reasonably obtainable, if:

- (a) for a period of 12 years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Shareholder or to the person entitled to the Share at his address in the Company's register of Shareholders or otherwise the last known address given by the Shareholder or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the Shareholder or the person so entitled, provided that in such a 12 year period the Company has paid out at least three interim or final dividends;
- (b) the Company has at the expiration of such 12 year period by advertisement in a newspaper circulating in the area in which the address referred to in (a) above is located given notice of its intention to sell such Shares;
- (c) the Company has not during the period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Shareholder or person so entitled; or
- (d) if any part of the share capital of the Company is quoted on any stock exchange, the Company has given notice in writing to the quotations department of such stock exchange of its intention to sell such Shares.

Disclosure of ownership

4.60 The Board shall have power by notice in writing to require any Shareholder to disclose to the Company the identity of any person other than the Shareholder who has any interest (whether direct or indirect) in the Shares held by the Shareholder and the nature of such interest or who has been so interested at any time during the three years immediately preceding the date on which the notice is issued. For these purposes, a person shall be treated as having an interest in Shares if they have any interest in them whatsoever, including but not limited to any interest acquired by any person as a result of:

- (a) entering into a contract to acquire them;
- (b) not being the registered holder, being entitled to exercise, or control the exercise of, any right conferred by the holding of the Shares;
- (c) having the right to call for delivery of the Shares; or
- (d) having the right to acquire an interest in Shares or having the obligation to acquire such an interest.

4.61 The Articles provide that, where an addressee of such a notice fails to give the Company the information required by the notice within the time specified in the notice, the Company may deliver a further notice on the Shareholder holding the Shares in relation to which the default has occurred imposing restrictions on those Shares. The restrictions may prevent the Shareholder holding the Shares from attending and voting at a meeting (including by proxy) and, where the default Shares represent at least 0.25 per cent. of any class of shares concerned, any dividend or other amount payable shall be retained by the Company in respect of such Shares, the Shareholder may not be able to convert its Shares and, save in certain circumstances, no transfer of such Shares shall be approved for registration.

4.62 The Articles provide that, where an addressee of such a notice fails to give the Company the information required by the notice within the time specified in the notice, the Company may deliver a further notice on the Shareholder holding the Shares in relation to which the default has occurred imposing restrictions on those Shares. The restrictions may prevent the Shareholder holding the Shares from attending and voting at a meeting (including by proxy) and, where the

default Shares represent at least 0.25 per cent. of any class of shares concerned, any dividend or other amount payable shall be retained by the Company in respect of such Shares, the Shareholder may not be able to convert its Shares and, save in certain circumstances, no transfer of such Shares shall be approved for registration.

5. Directors' and other interests

- 5.1 Except as disclosed in this paragraph 5.1, the Company is not aware of interests of any Director, including any connected person of that Director, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director whether or not held through another party, in the share capital of the Company, together with any options in respect of such capital immediately following the issue.

Name	Shares held immediately prior to Admission		Shares held after Admission	
	Number of Shares	per cent. of share capital	Number of Shares	per cent. of share capital*
Jeremy Tigue (Chairman)	0	0	250,000	0.1
Peter Hames	0	0	50,000	0.02
Tom Henderson	0	0	15,000,000	6.0
Colin Maltby	0	0	50,000	0.02
Jon Moulton	0	0	1,000,000	0.4
Martin Thomas	0	0	50,000	0.02

* If £250 million is raised in the Offer.

- 5.2 As at the date hereof, except as disclosed in paragraph 5.1, in so far as is known to the Company, no person is or will, immediately following the Offer, be directly or indirectly interested in 5 per cent. or more of the Company's capital. Such Shareholders will not have different voting rights to other Shareholders. The Companies Laws imposes no requirement on Shareholders to disclose holdings of 5 per cent. (or any greater limit) or more of any class of the share capital of the Company. However, the Disclosure and Transparency Rules provide that certain persons (including Shareholders) will be obliged to notify the Company if the proportion of the Company's voting rights which they own reaches, exceeds or falls below specific thresholds (the lowest of which will be 5 per cent.). For a summary of the power of the Board to require any Shareholder to disclose to the Company the identity of any person other than the Shareholder who has any interest (whether direct or indirect) in the Shares, refer to *"Additional Information – Memorandum of Incorporation and Articles of Incorporation of the Company – Disclosure of ownership"* in this Part VII.
- 5.3 The Company is not aware of any person who, directly or indirectly, jointly or severally, exercises or, immediately following the Offer, could exercise control over the Company.
- 5.4 Other than as disclosed in this Prospectus, none of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions, significant to the business of the Company, or which has been effected by the Company since its incorporation. Other than as disclosed in Part I under the heading *"Conflicts of Interest"*, no Director is subject to any conflicts of interest between his duties to the Company and his private interests or other duties.
- 5.5 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.
- 5.6 Each Director has a letter of appointment but no service contract with the Company, nor are any such service contracts proposed. The Directors hold their office in accordance with their letters of appointment and the Articles of Incorporation. The Directors' appointments can be terminated with one month's notice in accordance with the Articles of Incorporation and without compensation. The Articles of Incorporation provide that the office of Director shall be terminated by, among other things, (i) written resignation, (ii) unauthorised absences from board meetings for 12 months or more, (iii) written request of the other Directors, and (iv) a resolution of a majority of the Shareholders eligible to vote.
- 5.7 No members of the Administrator have any service contracts with the Company.

5.8 Each of the Directors (other than the Chairman) is entitled to receive a fee of £20,000 per year. The Chairman is entitled to receive a fee of £30,000 per year. Tom Henderson has agreed to waive his right to receive such fee while he remains a director. Peter Hames, Colin Maltby and Martin Thomas have elected to invest their fees in the Company's shares, and other directors may elect to do so in future. Accordingly the aggregate remuneration and benefits in kind of the Directors in respect of any financial year, which will be payable out of the assets of the Company are not expected to exceed £130,000.

5.9 In addition to their directorships of the Company, each Director holds or has held the following directorships, and is or was a member of the following partnerships, within the five years ending on 1 October 2012 (being the latest practicable date prior to the publication of this Prospectus):

Name	Current directorships/partnerships	Past directorships/partnerships
Peter Hames	Lisia Investment Holdings Limited	Aberdeen Asset Management Asia Limited
	MMIP Investment Management Limited	
	PCT Finance Limited	
	Polar Capital Technology Trust PLC	
	Genesis Asset Managers LLP	
Thomas Henderson	Eden Capital Fund Ltd	ZHV Balanced Fund
	New Generation Haldane Fund Management Limited	New Generation Haldane Fund
	The BACIT Foundation	
Colin Maltby	BlackRock Absolute Return Strategies Ltd	Aperios Emerging Connectivity Fund Limited
	HarbourVest Senior Loans Europe Limited	Aperios Emerging Connectivity Master Fund Limited
	Abingworth BioEquities Fund Limited	Aperios Partners General Partner (Cayman) Limited
	Abingworth BioEquities GP Limited	Aperios Partners Capital Cayman Limited
	Abingworth BioEquities Master Fund Limited	Princess Private Equity Holding Limited
	Bilfinger Berger Global Infrastructure SICAV SA	Peter Kirk Memorial Fund
	DWM Inclusive Finance Income Fund Limited	
	SCI Pettoreaux Cimes	
	21 Woodbury Lane Limited	
	Nine Princedale Road Limited	
	Eight Thirty Two Holland Park Limited	
Nicholas Moss	Absolute Return Trust Limited	Abingdon Finance Limited

Name	Current directorships/partnerships	Past directorships/partnerships
	Aegis Limited	Abingdon Investment Limited
	Aeon Limited	Arnaud Interests Limited
	Agrica Limited	Bramdean Alternatives Limited
	Ahrouvo Holdings Ltd	Breguet Limited
	Aladdin Capital (Guernsey) Limited	CM Management Company Limited
	Allegiance Limited	Consulta Canadian Energy Fund Limited
	Aquanox Trading Limited	Consulta Capital Fund PCC Limited
	Aravis Limited	Consulta Capital Holdings Limited
	Berkhoel Investments Limited	Consulta High Yield Fund PCC Limited
	BH Global Limited	Consulta High Yield Holdings Limited
	Cammas Ltd	Consulta (Channel Islands) Limited
	Carador Income Fund PLC	
	Carleton Advisors (Guernsey) Limited	
	Cascade Premium Limited	Consulta Alternative Strategy Holdings Limited
	CLS Therapeutics Limited	Consulta Collateral Fund PCC Limited
	CORESTATE German Residential Limited	Consulta Collateral Holdings Limited
	Credo Limited	Croshere Enterprises Limited
	Croburo Trading Ltd	Cruette Limited
	Demico Limited	Detroit Lakes Limited
	Diawara Services Limited	DP European Property Holdings SARL
	Dovey Limited	DP Property Europe Limited
	Elon Limited	Dufour Holdings Limited
	Foyle Limited	Embarcadero Limited

Name	Current directorships/partnerships	Past directorships/partnerships
	Frassoli Ltd	Fairey Holdings Limited
	Gabriel Wings Pte Ltd	FIM Long-Invest PCC Limited
	Green Dome International Pte Ltd	FIM Long-Invest Plus PCC Limited
	Groburo Ltd	FIM Long-Invest Portfolio Limited
	GTO Holdings Pte. Ltd	FIM Long-Invest Portfolio II Limited
	Hoffets Investments Limited	Interlock Director Ltd
	Ioreva Holdings Ltd	Interlock Limited
	Lantana (2009) Limited	Jambalaya Trading Limited
	Lantana Holdings Limited	Lavenne Limited
	Laxford Ltd	Makai International Limited
	Loreva Ltd	Maski Ventures Limited
	New Holdings Invest Limited	Mill Valley Limited
	Nopalaver Services Limited	Mount Capital Fund Limited
	Ondas Investments Pte. Ltd.	Mount Capital Asset Subsidiary Limited
	Rekig Limited	Philadelphia Limited
	Rekig Olympic Pool Limited	Radipole Limited
	Rekig Property Investments Limited	RE Netherlands Property Investments BV
	Roustel Investments Limited	Rutley Indian Property Limited
	Rowan Limited	Sadelli Strategies Limited
	Salemba Pte Ltd	Siddeley Investments Limited
	Sardrette Investments Limited	Sigrist Limited
	Saulire Limited	Sphere Success Limited
	Selden Investments Limited	Tor Properties Limited
	South Bank Investments Limited	Transtec Assets Limited
	Spider Holdings Pte Ltd	Tribelle Global Limited
	Stonewood Investment Management (Guernsey) Limited	Triple Point PCC Limited
	Sunburst Properties PTE Ltd	Valention Global Limited
	Tacus Fund Limited	Vizelle Limited
	Tarlam Trading LtdTopmast Offshore Limited	Virtus Cayman 2 Limited
	Topmast Offshore Limited	

Name	Current directorships/partnerships	Past directorships/partnerships
	Triple Point PCC Limited	
	Urmaston Services Limited	
	Virtus Cayman Limited	
	Virtus Directors Limited	
	Virtus Investment Services Limited	
	Virtus Management Limited	
	Virtus Trust Corporation Limited	
	Virtus Trust Limited	
	Virtus Trust NZ Limited	
	Vizelle Limited	
	Wengen Limited	
	Woolliscroft's Limited	
Jonathan Moulton	30 St James's Square Investments Ltd	2FG Holdings Limited
	Anglo Normandy Aero Engineering Limited	2FG Limited
	Aurigny Air Services Limited	AA Development Capital India (GP) Ltd
	BECAP Gardner 1 Ltd	AA Development Capital India (GP) Ltd Airborne Systems Group Ltd
	BECAP Gardner 2 Ltd	Airborne Systems Group Limited
	BECAP GP Limited	Airborne Systems Holdings Ltd
	BECAP GP LP	Alchemy India (CI) Ltd
	BECAP SPV 10 Ltd	Alchemy Partners (Guernsey) Ltd
	BECAP SPV 3 Ltd	Alchemy Partners LLP
	BECAP SPV 4 Ltd	Alchemy Special Opportunities LLP
	BECAP SPV 5 Ltd	Alchemy Special Opportunities (Trading) Ltd
	BECAP SPV 6 Ltd	Apax Partners Strategic Investors Ltd Aries Ltd
	BECAP SPV 7 Ltd	Aries Ltd
	BECAP SPV 9 Ltd	Ashmore Group Plc
	BECAP12 GP Limited	ASO (CI) Ltd
	BECAP12 GP LP	Cedar Crestone Inc
	BECAP12 SPV 1 Limited	Cedar Limited

Name	Current directorships/partnerships	Past directorships/partnerships
	BECAP12 SPV 3 Limited	Clayfox Gilttop Limited
	BECAP12 SPV 4 Limited	Clayfox Timid Limited
	BECAP12 SPV 5 Limited	COA Solutions Limited
	BECAP12 SPV 6 Limited	Core Technology Ventures LLP
	BECAP12 SPV 7 Limited	Edlaw Ltd
	BECAP12 SPV 8 Limited	Ego Acquisitions Limited
	BECAP12 SPV2 Limited	Ego Holdings Limited
	Better Capital 12 SLP LP	Ego Midco Limited
	Better Capital LLP	Floors-2-Go (EBT) Limited
	Better Capital SLP LP	Indian Advisors (CI) Ltd
	Bluefield Partners LLP	Meyer Timber Group Limited
	Cabernet Limited	Montague L Meyer Ltd
	Centre for Policy Studies Ltd	Point-on Holdings Ltd
	Collabrium Capital (Guernsey) Ltd	Redac Gratis Limited
	CSP Topic LLP	Redac Group Ltd
	DigiPoS Store Solutions (Holdings) Limited	Redac Group No 2 Ltd
	Duke Street Capital Structured Solutions No.1 (Feeder) LP	Redac Holdings Ltd
	Enigmatic Investments Ltd	Redac Ltd
	FinnCap Ltd	RLS Telecoms LLP
	Greensphere Capital LLP	Seymour Pierce Holdings Ltd
	JP Moulton Charitable Foundation	Spin SPG Trustee Ltd
	La Falaise Holdings Ltd	Successful Recovery Ltd
	New Broad Street Investments Ltd	Tattershall Castle Group Ltd
	Santia Holdco Ltd	TCG Holdings Ltd
	Shoreham Shop LLP	The Prestige Group Limited
	Sustainable Technology Partnership Founder Partner LLP	Gift World Limited
	The British Neurological Research Trust	Phoenix Computer Group Limited
	The UK Stem Cell Foundation	
	Verdi Semiconductor Ltd	
	Wharrels Hill LLP	

Name	Current directorships/partnerships	Past directorships/partnerships
Martin Thomas	Altima Partners LLP	Crossflow Limited
	Downside Up Limited	Guidestar International Limited
	Down Syndrome Diamond Foundation Limited	
	Guithian Chapel Limited	
	The Hemam Foundation Limited	
	Lancashire Holdings Limited	
	Lancashire Insurance Company (UK) Limited	
	El Tejar Limited	
	Spearhead International Limited	
	The BACIT Foundation	
	The Keo Foundation Limited	
Jeremy Tighe	The Association of Investment Companies	None
	Graphite Enterprise Trust PLC	
	The Mercantile Investment Trust plc	

5.10 Save as disclosed in this paragraph, at the date of this Prospectus:

- (a) none of the Directors has any convictions in relation to fraudulent offences for at least the previous five years;
- (b) none of the Directors was a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years which has entered into any bankruptcy, receivership or liquidation proceedings; and
- (c) none of the Directors has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

2FG Holdings Limited and 2FG Limited, of which Jon Moulton was a director at the relevant time, were within the period of five years preceding the date of this Prospectus the subject of insolvent liquidation. Mount Capital Limited and Mount Capital Asset Subsidiary Limited, of which Nicholas Moss was a director at the relevant time, were within the period of five years preceding the date of this Prospectus the subject of insolvent liquidation.

5.11 Pursuant to an instrument of indemnity entered into between the Company and each Director, the Company has undertaken, subject to certain limitations, to indemnify each Director out of the assets and profits of the Company against certain charges, losses, damages, expenses and liabilities arising out of any claims made against him in connection with the performance of his duties as a director of the Company.

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

6. Related party interests in the Company

The Directors intend to subscribe for Shares to the values set out in paragraph 5.1. In addition members of the Management Team, excluding Tom Henderson, intend to subscribe in the Offer for Shares to the value of approximately £500,000 in aggregate.

7. Material Contracts

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

7.1 Placing Agreement

A placing agreement, dated 1 October 2012, between the Company and the Global Coordinator (the “**Placing Agreement**”), whereby the Global Coordinator has agreed to act as placing agent in respect of the Shares to be issued pursuant to the Placing and to act as sponsor to the Company and to make application, on behalf of the Company, to the UK Listing Authority for the admission of the Shares to the Official List and to trading on the London Stock Exchange’s main market for listed securities. Under the Placing Agreement, the Global Coordinator may appoint sub-placement agents.

The Placing Agreement is subject to a number of conditions including, without limitation: (i) the net proceeds attributable to the Placing and the Offer being, in aggregate, at least £150 million; and (ii) the UK Listing Authority and the London Stock Exchange admitting the Shares to be issued pursuant to the Placing and the Offer to the Official List and to trading on its main market for listed securities, respectively, by 8.00 a.m. on 26 October 2012 (or such later date as the Global Coordinator and the Company may agree).

The Global Coordinator is entitled to a commission equal to 0.80 per cent. of the gross proceeds attributable to the issue of Shares pursuant to the Placing and the Offer save that no commission shall be payable in respect of the gross proceeds attributable to Shares subscribed for by the Directors or Management Team or by certain other persons that the Global Coordinator and the Company agree are connected to the Directors or the Management Team. In the event that Admission occurs, the Company shall also be responsible for the costs and expenses incurred by the Global Coordinator in connection with the performance of its duties under the Placing Agreement.

Other than the commissions payable by the Company to the Global Coordinator as described above, no commissions will be paid by the Company to places under the Placing.

The Global Coordinator may terminate the Placing Agreement in certain limited circumstances. Certain warranties and indemnities have been given to the Global Coordinator by the Company. The indemnity is in respect of any liability the Global Coordinator incurs in performing its obligations under the Placing Agreement provided that, in certain circumstances, such liability is not due (*inter alia*) to the finally judicially determined wilful default, gross negligence or fraud of the Global Coordinator or penalties or fines incurred by the Global Coordinator’s as a result of its failure to comply with its obligations under the FSMA or certain equivalent legislation. These warranties and indemnities are of a customary nature for contracts of this type.

7.2 Limited Partnership Agreement

Refer to the summary in section 3 above in this Part VII of this Prospectus.

7.3 Administration Agreements

The Company is a party to an Administration Agreement with Northern Trust International Fund Administration Services (Guernsey) Limited dated 1 October 2012 pursuant to which the Administrator provides day-to-day administration of the Company and acts as secretary and administrator to the Company including maintaining accounts, preparing interim and annual accounts of the Company and calculating the Net Asset Value. The General Partner on behalf of itself and the Limited Partnership is party to the LP Administration Agreement dated 1 October 2012 pursuant to which the Administrator provides day-to-day administration of the

General Partner and the Limited Partnership including acting as secretary to the General Partner, maintaining accounts and preparing interim and annual accounts of the General Partner and the Limited Partnership.

For the provision of the services under the Administration Agreements, the Administrator is entitled to receive a fee of up to 7.5 basis points of NAV per annum calculated as at the last valuation day in each month (as produced by the Administrator), subject to a minimum fee of £120,000 per annum payable annually in arrears (the parties may by agreement revise these fees from time to time). The Company will also reimburse the Administrator for disbursements and reasonable out of pocket expenses incurred by the Administrator on behalf of the Company, the General Partner or the Limited Partnership.

The Administrator may, in accordance with the CIS Rules, delegate the whole or any part of its duties and responsibilities to an affiliate however such delegation does not affect the liability of the Administrator who shall remain at all times liable for the acts or omissions of its delegate as if such acts or omissions were its own.

Each of the Administration Agreements may be terminated by either party serving the other party 90 days' written notice. Each of the Administration Agreements may be terminated immediately if (i) either party is subject to winding up proceedings or the appointment of an administrator, examiner or receiver except voluntary liquidation for the purposes of a reconstruction, amalgamation or merger, (ii) if either party commits any material breach of the provisions of the Administration Agreement or the LP Administration Agreement, as the case may be, and shall, if capable of remedy, not have remedied the same within 30 days after the service of notice requiring it to be remedied (in such cases such right of termination lies with the non-defaulting party), (iii) if the continued performance of the Administration Agreement or the LP Administration Agreement, as the case may be, for any reason ceases to be lawful, (iv) if the Administrator is no longer permitted or qualified to perform its obligations pursuant to any applicable law (including the POI Law, as amended) or regulation (including in circumstances where the Administrator ceases to hold the relevant licence, consent, permit or registration to carry on the Administrator's activities), (v) if a party is declared to be *en état de désastre* under the laws of Guernsey, or (vi) if the Administrator is or is deemed to be resident for tax purposes elsewhere than in Guernsey or has a permanent establishment or other taxable presence elsewhere than in Guernsey.

The Administrator will generally not be liable for any loss, damages or liabilities incurred as a result of the proper performance by the Administrator of its obligations and duties under the Administration Agreements in the absence of negligence, fraud, bad faith or wilful default. To the fullest extent permitted by law, the Administrator shall not be liable for any indirect, incidental or consequential losses including loss of profit, revenue, savings or goodwill. The Company or the General Partner or the Limited Partnership, as the case may be, will indemnify the Administrator against all actions, proceedings, claims, costs, demands and expenses that may be imposed on, incurred by or asserted against the Administrator in respect of any loss or damage suffered or alleged to have been suffered by any party in connection with or arising out of the proper performance by the Administrator of its obligations and duties under the Administration Agreements or the LP Administration Agreement, as the case may be, otherwise than as a result of some act of negligence, fraud, bad faith or wilful default on the part of the Administrator.

The Administration Agreements are governed by Guernsey law.

7.4 Registrar Agreement

The Company is party to a Registrar Agreement with Capita Registrars (Guernsey) Limited dated 1 October 2012 pursuant to which the Registrar will act as the registrar of the register of members of the Company kept in Guernsey and to provide registration services to the Company which will entail, among other things, the Registrar having responsibility for the transfer of Shares, maintenance of the register of members and maintenance of dividend payment instructions.

Under the Registrar Agreement, the Registrar is entitled to receive a basic fee based on the number of Shareholder accounts, subject to a set annual minimum charge of £7,999, and to a fee of £500 per annum for provision of share portal services, (payable quarterly in arrear). In addition to this basic fee, the Registrar is entitled to receive additional fees for specific actions.

The Registrar Agreement has an effective initial term of three years, after which the agreement will automatically renew for successive periods of 12 months unless six months' prior written notice is given by the other party at the end of the initial term, or six months' prior written notice is given to the other party at the end of a successive 12 month period. The Registrar Agreement may be terminated by the non-claiming party on the occurrence of an event of *force majeure* if the claiming party has promptly notified the non-claiming party of the nature and extent of the circumstances giving rise to the event of *force majeure*, and the event of *force majeure* continues for a period in excess of 30 days on which it began. Either party may terminate the registrar agreement: (i) by service of three months' written notice should the parties not reach an agreement regarding any increase in fees; (ii) upon service of written notice if the other party commits a material breach of its obligations which is not remedied within 45 days of receipt of a written notice; or (iii) upon service of written notice if a resolution is passed or an order made for the winding-up, dissolution or administration of the other party, or if the other party is declared insolvent or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a substantial part of the other party or its assets or undertakings.

The Company has agreed to indemnify the Registrar and its agents, officers and employees against all and any losses, damages, liabilities, professional fees, court costs and expenses which may be suffered or incurred by the Registrar or its agents, officers and employees in connection with the performance of its or their duties under the Registrar Agreement, and in addition any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the Registrar Agreement or the services contemplated save to the extent that such liabilities may be due to the fraud, negligence or wilful default of the Registrar or its agents, officers or employees.

The liability of the Registrar to the Company under the Registrar Agreement is limited, except in the case of death or personal injury caused by the Registrar's negligence, liability for fraud by the Registrar or any other liability which cannot be excluded by law, to the lesser of £1,000,000 or an amount equal to 10 times the annual fee payable to Capita.

The Registrar Agreement is governed by Guernsey law.

7.5 Custody Agreement

The Company and the General Partner, on behalf of itself and the Limited Partnership, is party to the Custody Agreement dated 1 October 2012 pursuant to which the Custodian provides custody services in respect of the assets of the Company and the Limited Partnership.

For the provision of the services under the Custody Agreement, the Custodian is entitled to receive a fee of up to 5 basis points of NAV per annum calculated as at the last valuation day in each month (as produced by the Administrator), subject to a minimum fee of £20,000 per annum together with transaction charges payable monthly in arrears (the parties may by agreement revise these fees from time to time). The General Partner will also reimburse the Custodian for disbursements and reasonable out of pocket expenses incurred by the Custodian on behalf of the Limited Partnership.

The Custodian will be responsible for all assets of the Company and the Limited Partnership other than assets deposited as margin with brokers. Such assets will be held by the Custodian in a separate client account and will be separately designated in the books of the Custodian as belonging to the Company or the Limited Partnership, as the case may be. Assets other than cash, which are so segregated, will be unavailable to the creditors of the Custodian in the event of its bankruptcy or insolvency. Assets deposited as margin need not be segregated and may become available to the creditors of brokers.

The Custody Agreement may be terminated by either party on 30 days written notice or immediately by either party serving the other party written notice if (i) either party is subject to winding up proceedings or the appointment of an administrator, examiner or receiver except voluntary liquidation for the purposes of a reconstruction, amalgamation or merger, (ii) if either party commits any material breach of the provisions of the Custody Agreement and shall, if capable of remedy, not have remedied the same within 30 days after the service of notice

requiring it to be remedied (in such cases such right of termination lies with the non-defaulting party), (iii) if the continued performance of the Custody Agreement for any reason ceases to be lawful.

The Custodian is not liable for any acts or omissions in the performance of its services under the Custodian Agreement in the absence of wilful default, negligence, bad faith or fraud and subject thereto, the Custodian is entitled to be indemnified to the extent permitted by law, against all actions, proceedings, claims, costs, demands and expenses arising in connection with the performance of its services.

The Custody Agreement is governed by Guernsey law.

7.6 Framework Agreement with the ICR

7.6.1 The Company is party to a framework agreement with the ICR dated 1 October 2012.

7.6.2 Pursuant to the framework agreement

- (a) the Company agrees, among other things:
 - (i) to comply with its investment policy and not knowingly to allow ten per cent. or more of its assets under management from time to time to be invested in breach of the ICR's restrictions on tobacco-related investments;
 - (ii) to procure that half of the Annual Donation is donated to the ICR; and
 - (iii) not to promote any relationship with any cancer charity other than the ICR, except to the extent relevant to the allocation by the BACIT Foundation of any part of the remaining Annual Donation other than to the ICR;
- (b) the ICR agrees not to be associated with any fund-of-funds or other publicly traded investment entity which shares the key characteristics of or is materially similar to the Company (provided that, for the avoidance of doubt, the ICR shall not otherwise be restricted from accepting charitable donations from investment entities);
- (c) each of the Company and the ICR licenses to the other the right to use its respective name and marks and agrees to indemnify the other for losses that may result from its misuse of those names and marks; and
- (d) the monetary liability of the ICR to the Company for information provided to the Company by the ICR for inclusion in the Prospectus is limited.

7.6.3 The ICR may terminate the framework agreement on twelve months' written notice to the Company, such notice to be served at any time. In addition, the ICR may terminate the framework agreement immediately on written notice at any time on the occurrence of certain events, including in the event that:

- (a) the Company's investment policy is materially amended;
- (b) any allocation of the Annual Donation due to the ICR is not paid to the ICR when due;
- (c) Thomas Henderson ceases to be involved with the Company in any capacity;
- (d) a Change of Control of the Company occurs; or
- (e) the Company performs any act or fails to act in circumstances which are knowingly calculated to, or which may reasonably be expected to, bring the ICR into disrepute.

7.6.4 The Company may terminate the framework agreement on twelve months' written notice to ICR, such notice to be served at any time following the occurrence of the following:

- (a) the Company ceases to have an investment policy which requires both that the Group's investments must be made on a "gross return" basis and the obligation on the Company to procure that a portion of its Net Asset Value is periodically donated to charities; or
- (b) a Change of Control of the Company occurs.

7.6.5 In addition, the Company may terminate the framework agreement immediately on written notice at any time on the occurrence of certain events, including in the event that:

- (a) the ICR (i) ceases to be a charitable organisation or (ii) the charitable objects of the ICR are materially amended; or

- (b) the ICR performs any act or fails to act in circumstances which are knowingly calculated to, or which may reasonably be expected to, bring BACIT into disrepute.

7.6.6 Either party may terminate the framework agreement immediately if the other has passed any resolution for, or made any filing in respect of, its bankruptcy, liquidation, receivership or reorganisation under any insolvency laws or has taken (or there has been taken against it by any third party) any similar action.

7.6.7 The framework agreement is governed by English law.

7.6.8 For purposes of the framework agreement (and the agreement with the BACIT Foundation and the expenses deed described at paragraphs 7.7 and 7.8 below), a “**Change of Control**” of the Company means the acquisition (whether directly or indirectly) by a person or a group of persons acting in concert (as such term is defined in the City Code on Takeovers and Mergers) of:

- (a) more than 50 per cent. of the issued ordinary share capital of the Company;
- (b) issued share capital having the right to cast more than 50 per cent. of the votes capable of being cast in general meetings of the Company; or
- (c) the right to determine the composition of the majority of the board of directors of the Company.

7.7 Agreement with the BACIT Foundation

7.7.1 The Company is party to an agreement with the BACIT Foundation dated 1 October 2012 which sets out the terms on which the Company will contribute the relevant portion of the Annual Donation to the BACIT Foundation and how it will be applied by the BACIT Foundation. In addition, the agreement sets out the procedure by which the BACIT Foundation will notify the Company of the relevant charities to whom donations may be made by the BACIT Foundation and the procedure for obtaining the decisions of Shareholders as to which of those charities shall receive donations in a particular year.

7.7.2 Either party may terminate this agreement on six months’ written notice to the other or immediately on written notice to the other at any time in the event that:

- (a) the Company ceases to have an investment policy which requires both that the Company’s investments must be made effectively free of the impact of management or performance fees and that the Company is required to procure that a portion of its net asset value is periodically donated to charities;
- (b) a Change of Control of the Company occurs;
- (c) the BACIT Foundation ceases to be a charitable organisation;
- (d) the other party breaches any material provision of this Agreement and such breach either is incapable of remedy or has not been remedied to the reasonable satisfaction of the terminating party within 30 days of the other party receiving notice to do the same from the terminating party;
- (e) the other party does (or omits to do) anything which, in the reasonable opinion of the terminating party, is knowingly calculated to, or which may reasonably be expected to, bring the terminating party into disrepute;
- (f) the other party has passed any resolution for, or made any filing in respect of, its liquidation, receivership or reorganisation under any insolvency laws or has taken (or there has been taken against it by any third party) any similar action; or
- (g) the performance by the first party of any of its obligations under this Agreement is or becomes illegal or unlawful under the laws of any relevant jurisdiction.

7.7.3 In addition, the BACIT Foundation may terminate the agreement immediately on written notice if the Company does (or omits to do) anything which, in the reasonable opinion of the BACIT Foundation, is knowingly calculated to, or which may reasonably be expected to, be detrimental to the BACIT Foundation carrying on its charitable purposes.

7.7.4 The agreement is governed by English law.

7.8 Expenses Deed

7.8.1 Each of the Company, the General Partner and the Limited Partnership is party to a deed made by Tom Henderson dated 1 October 2012 pursuant to which Mr. Henderson agrees to provide office space and equipment for the Management Team and to cover specific overheads of the Management Team up to an amount equal to £210,000 per annum.

7.8.2 The deed is terminable by Mr. Henderson immediately on written notice if:

- (a) any other party has passed any resolution for, or made any filing in respect of, its bankruptcy, liquidation, receivership or reorganisation under any insolvency laws or has taken (or there has been taken against it by any third party) any similar action;
- (b) a Change of Control (as defined above) of the Company occurs;
- (c) the General Partner ceases to be a wholly-owned subsidiary of the Company;
- (d) Mr Henderson ceases to be a director either of the Company or the General Partner; or
- (e) the investment policy of the Company is altered materially without the consent of Mr Henderson.

7.8.3 The deed is terminable by either party on twelve months' written notice.

7.8.4 The deed is governed by English law.

8. Related party transactions

The Group has not entered into any related party transactions since incorporation of the Company.

9. Litigation

Since the Company's incorporation, there have been no governmental, legal or arbitration proceedings (including any such proceedings of which the Company is aware) which may have or have had a significant effect on the Company's or the Group's financial position or profitability.

10. Financial information

10.1 Deloitte LLP has been the only auditor of the Company since its incorporation. The annual report and accounts of the Company will be prepared in Sterling according to IFRS.

10.2 The Company's accounting period will end on 31 March of each year, with the first accounting period ending on 31 March 2013.

10.3 The Company has not commenced operations since its incorporation on 14 August 2012 and no financial statements of the Company have been made as at the date of this Prospectus.

10.4 The Company is of the opinion, taking into account the minimum net proceeds of £150 million, that the working capital available to the Group is sufficient for its present requirements (that is, for at least the next 12 months from the date of this Prospectus).

10.5 As at the date of this Prospectus, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness.

10.6 The Company does not provide any pension, retirement or similar benefits.

10.7 Assuming that £250 million is raised under the Offer, the net assets of the Company will increase by £246,750,000 which will be earnings enhancing.

10.8 The Company intends to raise approximately £250 million through the Offer. The maximum number of Shares that may be issued through the Placing is 500,000,000 Shares, and the maximum number of Shares that may be issued through the Offer for Subscription is 500,000,000 Shares. The Company will not proceed with the Offer if the net proceeds of the Offer are less than £150 million (the "**Minimum Net Proceeds**").

10.9 If the Minimum Net Proceeds are not raised, the Offer may only proceed where a further prospectus (including a working capital statement based on a revised minimum net proceeds figure) has been prepared in relation to the Company and approved by the UKLA. If the Offer does not proceed, application monies received under the Offer will be returned to applicants without interest at the applicants' risk.

11. No significant change

There has been no significant change in the trading or financial position of the Group since the incorporation of the Company.

12. City Code on Takeovers and Mergers

12.1 The City Code on Takeovers and Mergers applies, among other things, to offers for public companies (other than open-ended investment companies) which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man if any of their securities are admitted to trading on a regulated market in the United Kingdom or any stock exchange in the Channel Islands or the Isle of Man. As a company incorporated in Guernsey with shares admitted to trading on the main market of the London Stock Exchange, the Company is subject to the provisions of the City Code on Takeovers and Mergers.

12.2 Under Rule 9 of the City Code on Takeovers and Mergers, if:

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

13. Third party sources

Where information contained in this Prospectus has been sourced from third parties, the Company confirms that such information has been accurately reproduced and, as far as the Company is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

14. Investment Restrictions

The Company is subject to the following investment restrictions:

- for so long as required by the Listing Rules, it must not conduct a trading activity which is significant in the context of the Company and its group as a whole;
- for so long as required by the Listing Rules, not more than 10 per cent. of the value of its total assets will be invested in other UK-listed closed-ended investment funds, except for those which themselves have published investment policies to invest not more than 15 per cent. of their total assets in other UK-listed closed-ended investment funds; and
- any investment restrictions that may be imposed by Guernsey law, although as at the date of this Prospectus no such restrictions exist.

The Company must at all times comply with its published investment policy and any material change to its investment policy will only be made, for so long as the Shares are listed on the Official List, with the approval of the Shareholders (by way of ordinary resolution), in accordance with the Listing Rules. Currency and interest rate hedging transactions will only be undertaken for the purpose of efficient portfolio management and will not be undertaken for speculative purposes.

15. Restrictions on Sales

This Prospectus has been approved by the UKLA as a prospectus which may be used to offer securities to the public for the purposes of section 85 of the FSMA and of the Prospectus Directive. Arrangements may also be made with the competent authority in certain member states of the EEA that have implemented the Prospectus Directive for the use of this Prospectus as an approved prospectus in such jurisdictions to make a public offer in such jurisdictions. The issue or circulation of this Prospectus may be prohibited in countries other than those in relation to which notices are given below. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

15.1 Notice to prospective investors in the EEA

Subject to the country specific selling restrictions in this Part VII, in relation to each member state of the EEA that has implemented the Prospectus Directive (each, a “**Relevant Member State**”) each subscriber for the Shares acknowledges that an offer to the public of any Shares may not be made in that Relevant Member State, other than an offer to the public of the Shares in the United Kingdom once the Prospectus has been approved by the UK Listing Authority and is published and, in any other Relevant Member State, once the Prospectus has been passported and published in accordance with the Prospectus Directive as implemented in the Relevant Member State. However, an offer to the public in a Relevant Member State of any Shares may be made at any time under the following exemptions under the Prospectus Directive, to the extent that they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (b) to any legal entity which has two or more of: (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 (or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150) natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the publication by the Company or the Global Coordinator of a prospectus pursuant to Article 3 of the Prospectus Directive or a supplemental prospectus pursuant to Article 16 of the Prospectus Directive.

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

15.2 Guernsey

A registered collective investment scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the POI Law.

15.3 United States

The Shares have not been and will not be registered under the Securities Act, any state securities laws in the United States or the securities laws of any other jurisdiction and, accordingly, may not be offered, pledged or sold within the United States or to, or for the account or benefit of, U.S. persons or to any Resident of the United States unless in certain transactions where exemption from the registration requirements of the Securities Act is available, and except in accordance with the Articles and the restrictions described below.

Shares may not be acquired in the Offer, and should not otherwise be acquired, by investors that are Benefit Plan Investors (as defined in Section 3(42) of ERISA) or by investors who are or are using assets of a plan or other arrangement subject to provisions under applicable federal, state, local, non-U.S. or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the Code.

Under the Articles, the Directors have the power to require the sale or transfer of Shares in certain circumstances. Such power may be exercised to prevent (i) the Company from being in violation of, or required to register under, the Investment Company Act or being required to register the Shares under the Security Act or the Securities Exchange Act (including in order to maintain the status of the Company as a “foreign private issuer” for the purposes of those Acts); (ii) any member of the Group being in violation of, or required to register or under or

report pursuant to, the U.S. Investment Advisers Act of 1940, as amended; (iii) the assets of the Company from being deemed to be assets of an employee benefit plan within the meaning of ERISA or of a plan within the meaning of Section 4975 of the Code; (iii) any member of the Group from being in violation of, or required to register under, the CEA; and (iv) any member of the Group from having compliance obligations under, or from being in violation of, the U.S. Hiring Incentive for Restoring Employment Act of 2010 (which incorporates the anti-avoidance revenue provisions contained in FATCA) or otherwise not being in compliance with the Investment Company Act, ERISA, the CEA, FATCA or the Code.

The Company will be a “*covered fund*” as such term is defined for the purposes of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act.

16. Relationship with the ICR

The Management Team and senior personnel at the investment managers of funds or investments which are included in the Investment Portfolio from time to time may be invited by the ICR to become members of any patrons group as may be organised for or on behalf of ICR time to time. Members of any such group may be provided with updates regarding the work of ICR, may be invited to participate in ICR fundraising events and may have access to ICR clinicians and scientists. Any invitation to join such a patrons group will be entirely discretionary, on the ICR’s part, not dependent upon the relevant individual’s involvement with BACIT and not exclusive to such individuals.

17.1 General

17.1 The principal place of business and registered office of the Company is Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 3QL.

17.3 None of the Shares available under the Offer are being underwritten.

17.4 The Company does not own any premises and does not lease any premises.

18. Disclosure requirements and notification of interest in shares

18.1 Under Chapter 5 of the Disclosure and Transparency Rules, subject to certain limited exceptions, a person must notify the Company (and, at the same time, the FSA) of the percentage of voting rights he holds (within four trading days) if he acquires or disposes of shares in the Company to which voting rights are attached and if, as a result of the acquisition or disposal, the percentage of voting rights which he holds as a shareholder (or, in certain cases, which he holds indirectly) or through his direct or indirect holding of certain types of financial instruments (or a combination of such holdings):

- (a) reaches, exceeds or falls below five per cent. and each five per cent. threshold thereafter up to 30 per cent., 50 per cent. and 75 per cent.; or
- (b) reaches, exceeds or falls below an applicable threshold in the paragraph above as a result of events changing the breakdown of voting rights and on the basis of the total voting rights notified to the market by the Company.

18.2 Such notification must be made using the prescribed form TR1 available from the FSA’s website at <http://www.fsa.gov.uk>. Under the Disclosure and Transparency Rules, the Company must announce the notification to the public as soon as possible and in any event by not later than the end of the trading day following receipt of a notification in relation to voting rights. The FSA may take enforcement action against a person holding voting rights who has not complied with Chapter 5 of the Disclosure and Transparency Rules.

19. Documents available for inspection

19.1 Copies of the following documents will be available for inspection at the registered office of the Company and the offices of Freshfields Bruckhaus Deringer LLP, legal counsel to the Company, 65 Fleet Street, London EC4Y 1HS, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the date of Admission:

- (a) the Memorandum of Incorporation and Articles of Incorporation of the Company; and
- (b) this Prospectus.

19.2 In addition, copies of this Prospectus are available free of charge from the registered office of the Company and the offices of the Administrator and the Global Coordinator. Copies of this Prospectus are also available for access via the National Storage Mechanism at <http://www.hemscott.com/nsm.do>.

PART VIII – DEFINITIONS

The following definitions apply throughout this Prospectus, unless the context requires otherwise:

“**2010 PD Amending Directive**” means Directive 2010/73/EU;

“**Administration Agreement**” means the administration agreement between the Company and the Administrator, dated 1 October 2012;

“**Administrator**” means Northern Trust International Fund Administration Services (Guernsey) Limited;

“**Admission**” means admission to the Official List and/or admission to trading on the London Stock Exchange, as the context may require, of the Shares becoming effective in accordance with the Listing Rules and/or the LSE Admission Standards, as the context may require;

“**Advisers Act**” means the U.S. Investment Advisers Act of 1940, as amended;

“**AIC Code**” means the AIC’s Code of Corporate Governance;

“**AIFM Directive**” means the Alternative Investment Fund Managers Directive designed to regulate managers of private equity, hedge and other funds published by The European Commission published on 1 July 2011;

“**Annual Donation**” means the annual charitable donation of one per cent of NAV, in arrears;

“**Articles of Incorporation**” or “**Articles**” means the articles of incorporation of the Company, which will be in force at Admission;

“**BACIT Foundation**” means The BACIT Foundation, a private company limited by guarantee, with exclusively charitable purposes;

“**Board**” or “**Directors**” means the directors of the Company;

“**Bookrunner**” means J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove);

“**Business Day**” means a day on which the London Stock Exchange and banks in Guernsey and London are normally open for business;

“**C Shares**” means C shares issued by the Company on the terms and conditions and having the rights, restrictions and entitlements set out in the Articles and summarised in Part VII of this Prospectus;

“**CEA**” means the U.S. Commodity Exchange Act of 1974;

“**Certificated**” or “**Certificated Form**” means not in Uncertificated Form;

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended;

“**Companies Laws**” means the Companies (Guernsey) Law, 2008, as amended;

“**Company**” means BACIT Limited;

“**Corporate Governance Code**” means The UK Corporate Governance Code as published by the Financial Reporting Council;

“**CREST**” means the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as “Operator” pursuant to the Regulations;

“**Custodian**” means Northern Trust (Guernsey) Limited;

“**Deferred Share**” means a deferred share issued by the Company on the terms and conditions and having the rights, restrictions and entitlements set out in the Articles and summarised in Part VII of this Prospectus, paragraph 2.7;

“**Directors**” or “**Board**” means the directors of the Company;

“**Disclosure and Transparency Rules**” means the disclosure rules and the transparency rules under Part IV of FSMA;

“**DP Law**” means the Data Protection (Bailiwick of Guernsey) Law 2001;

“**EEA**” means European Economic Area;

“**ERISA**” means the U.S. Employee Retirement Income Security Act of 1974, as amended;

“**EU**” means the European Union;

“**Euroclear**” means Euroclear UK and Ireland Limited;

“**EU Savings Directive**” means the EU Savings Directive (2003/48/EC);

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended;

“**FATCA**” means that U.S. Foreign Account Tax Compliance Act;

“**FIRPTA**” means the U.S. Foreign Investment in Real Property Act;

“**FSA**” means the UK Financial Services Authority;

“**FSMA**” means the UK Financial Services and Markets Act 2000;

“**functional currency**” means the currency of the primary economic environment in which the entity operates;

“**General Partner**” means BACIT GP Limited, the general partner of the Limited Partnership and a wholly-owned subsidiary of the Company;

“**GFSC**” means the Guernsey Financial Services Commission;

“**Global Coordinator**” means J.P. Morgan Securities plc. (which conducts its UK investment banking activities as J.P. Morgan Cazenove);

“**Group**” means the Company, the General Partner and the Limited Partnership and their subsidiaries and subsidiary undertakings from time to time;

“**HMRC**” means HM Revenue & Customs;

“**IAS 39**” means International Accounting Standard 39;

“**ICR**” means the Institute of Cancer Research;

“**ICR Projects**” means drug development and medical innovation projects undertaken by the ICR or its subsidiaries in the field of cancer research and therapeutics which have the potential for commercial development and application;

“**IFRS**” means the International Financial Reporting Standards, being the principles-based accounting standards, interpretations and the framework by that name adopted by the International Accounting Standards Board;

“**Illustrative Portfolio**” means the illustrative investment portfolio of the Group described in Part II of this Prospectus and based on the Investment Opportunities;

“**ITA**” means the Income Tax Act 2007;

“**Investment Company Act**” means the U.S. Investment Company Act of 1940, as amended;

“**Investment Opportunities**” means the investment access opportunities made available to the Group by third party managers on a basis which is compatible with the Company’s investment policy, as described in Part II;

“**Investment Portfolio**” means the Group’s investment portfolio from time to time;

“**Investor**” means each person to whom the terms and conditions of the Placing apply;

“**IPEVC**” means International Private Equity and Venture Capital;

“**IRS**” means the U.S. Internal Revenue Service;

“**ISIN**” means International Securities Identification Number;

“**Issue**” means the issue of Shares to eligible investors under the Offer;

“**Limited Partnership**” means BACIT Investments LP Incorporated, a Guernsey limited partnership in which the Company is the sole limited partner;

“**Listing Rules**” means the listing rules made by the UK Listing Authority under section 73A of FSMA;

“**London Stock Exchange**” or “**LSE**” means London Stock Exchange plc;

“**LSE Admission Standards**” means the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to the Official List;

“**Management Team**” means the employees of the General Partner;

“**Memorandum**” or “**Memorandum of Incorporation**” means the memorandum of incorporation of the Company in force at Admission;

“**NAV per Share**” means the Net Asset Value per Share;

“**Net Asset Value**” or “**NAV**” means the value of the assets of the Company less its liabilities;

“**Offer**” means the Placing and the Offer for Subscription;

“**Offer for Subscription**” means the offer for subscription of Shares as described in this Prospectus;

“**Offer Price**” means £1 per Share;

“**Official List**” means the list maintained by the UK Listing Authority pursuant to Part IV of FSMA;

“**offshore fund rules**” means Part 8 of the Taxation (International and Other Provisions) Act 2010;

“**personal data**” means the information that a prospective investor in the Company provides in documents in relation to a proposed subscription for Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual;

“**Placing**” means the placing of Shares to eligible investors as described under this Prospectus;

“**Placing Agreement**” means the placement agreement among the Company and the Global Coordinator dated 1 October 2012;

“**Plan Investor**” means (i) an “employee benefit plan” that is subject to Title I of ERISA, (ii) a plan, individual retirement account or other arrangement that is subject to section 4975 of the U.S. Code, (iii) entities whose underlying assets are considered to include “plan assets” of any plan, account, or arrangement described in preceding clause (i) or (ii), or (iv) any governmental plan, church plan, non-U.S. plan or other investor whose purchase or holding of Shares would be subject to any Similar Law;

“**Prospectus**” means this Prospectus;

“**Prospectus Directive**” means Directive 2003/71/EC as amended and includes any relevant implementing measure in each Relevant Member State;

“**Prospectus Rules**” means the Prospectus rules made by the UK Listing Authority under section 73(A) of FSMA;

“**Public Application Form**” means the application form for use in connection with the Offer for Subscription attached at the end of this Prospectus or any application form (whether electronic or otherwise) for use in connection with the Offer for Subscription otherwise published by or on behalf of the Company;

“**Receiving Agent**” means Capita Registrars Limited;

“**Registrar**” means Capita Registrars (Guernsey) Limited, or such other person or persons from time to time appointed by the Company to provide registration services to the Company;

“**Regulation S**” means Regulation S under the Securities Act;

“**Regulations**” means the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755);

“**Resident of the United States**” means:

- (a) any natural person resident in the United States or who is only temporarily residing outside the United States;
- (b) any partnership, corporation or other business entity organised or incorporated under the laws of the United States or any State;
- (c) any estate of which any executor or administrator is a resident of the United States;
- (d) any trust of which any trustee, beneficiary or, if the trust is revocable, any settler is a resident of the United States;
- (e) any agency or branch of a foreign entity located in the United States;
- (f) any discretionary or non-discretionary account or similar account (other than an estate or trust) held by a dealer or fiduciary for the benefit or account of a resident of the United States;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or fiduciary organised or incorporated in the United States, or (if an individual) a resident of the United States; or
- (h) any person organised or incorporated under the laws of any foreign jurisdiction formed by or for a resident of the United States principally for the purpose of investing in the Shares;

“**RIS provider**” means a regulated information service provider;

“**SDRT**” means UK stamp duty reserve tax;

“**SEC**” means the U.S. Securities and Exchange Commission;

“**Securities Act**” means the U.S. Securities Act of 1933, as amended;

“**Share(s)**” means the ordinary shares of the Company and having the rights, restrictions and entitlements set out in the Articles;

“**Shareholder**” means the registered holder of a Share;

“**Solvency II Directive**” means Directive 2009/138/EC approved by the European Council on 5 May 2009, which seeks to revise the regulation and authorisation of insurance and reinsurance companies;

“**Sponsor**” means J.P. Morgan Securities plc. (which conducts its UK investment banking activities as J.P. Morgan Cazenove);

“**Sterling**” means the lawful currency of the UK;

“**Strategic Advisory Committee**” means the advisory committee to the General Partner;

“**Terms and Condition of Public Application**” means the terms and conditions of public application under the Offer for Subscription set out in Part XI of this Prospectus;

“**Third Party Managers**” means managers of investment funds that are third parties to the Group;

“**Track Record Information**” means the information prepared by the Company from publicly available data and in some instances, from the Third Party Managers directly, as at 31 July 2012 or 31 August 2012 set out in Part II;

“**UCITS**” means an undertaking for collective investment in transferable securities which complies with the European Parliament and Council Directive 2009/65/EC of 13 July 2009;

“**U.S. person**” has the meaning given in Regulation S under the Securities Act;

“**U.S.**” or “**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“**UK Listing Authority**” or “**UKLA**” means the Financial Services Authority as the competent authority for listing in the United Kingdom;

“**UK**” or “**United Kingdom**” means the United Kingdom of Great Britain and Northern Ireland;

“**Uncertificated**” or “**Uncertificated Form**” means recorded on the register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST; and

“**VAT**” means value added tax.

PART IX – TERMS AND CONDITIONS OF PUBLIC APPLICATION UNDER THE OFFER FOR SUBSCRIPTION

Introduction

If you apply for Shares in the Offer for Subscription, you will be agreeing with the Company, the Registrar and Capita Registrars Limited (the “**Receiving Agent**”) as follows:

Offer to Subscribe for Shares

1. Applications must be made on the public application form attached at the end of this Prospectus or, for applications for up to a maximum of £10,000 in Shares, can be submitted via an electronic form accessible at the following website www.bacitltd.com (each a “**Public Application Form**”). Applications will not be accepted prior to the receipt of the confirmation of the registration of the Company as a closed-ended investment scheme which is expected to be received on or around 1 October 2012. By completing and delivering a Public Application Form, you, as the applicant, and, if you sign or submit a Public Application Form on behalf of another person or a corporation, that person or corporation:

- 1.1 offer to subscribe for the number of Shares specified in your Public Application Form (being a minimum number of 1,000 or such lesser amount as the Company may, in its absolute discretion, determine to accept) at £1 per Share on the terms, and subject to the conditions, set out in the Prospectus, including these Terms and Conditions of Public Application and the Memorandum of Incorporation and Articles of Incorporation of the Company (as amended);
- 1.2 agree that, in consideration of the Company, the Registrar and the Receiving Agent agreeing that they will not, prior to the date of Admission, allot and issue any Shares to any person other than by means of the procedures referred to in the Prospectus, your application may not be revoked and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon receipt by, the Receiving Agent of your Public Application Form;
- 1.3 undertake to pay the amount specified in your Public Application Form in full and in Sterling on application by cheque or by debit card transaction for an electronic application and warrant that the remittance accompanying your Public Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Shares applied for in certificated form or be entitled to commence dealing in 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 be in its absolute discretion and on the basis that you indemnify the Receiving Agent and the Company against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot and issue the Shares and may allot and issue them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund to you at your risk of any proceeds of the remittance which accompanied your Public Application Form, without interest);
- 1.4 agree that, where on your Public 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 form so that such Shares may be issued in Certificated Form registered in the name(s) of the holder(s) specified in your Public Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in receiving your remittance in cleared funds);
- 1.5 agree, in respect of applications for Shares in Certificated Form (or where the Receiving Agent exercises its discretion pursuant to paragraph 1.4 to issue Shares in Certificated Form), that any share certificate to which you or any of the persons specified by you in your Public Application Form may become entitled and monies returnable may be retained by the Receiving Agent:
 - 1.5.1 pending clearance of your remittance;
 - 1.5.2 pending investigation of any suspected breach of the warranties contained in paragraphs 8.1, 8.2, 8.6, 8.8, 8.9 or 8.10 below or any other suspected breach of these Terms and Conditions of Public Application; or

- 1.5.3 pending any verification of identity which is, or which the Receiving Agent or the Company considers may be, required for the purposes of the UK Money Laundering Regulations 2007, The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, as amended, and/or The Criminal Justice (Proceeds of Crime) (Financial Services Businesses) (Bailiwick of Guernsey) Regulations, 2007, as amended, and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- 1.6 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;
- 1.7 agree that, if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time in the opinion of the Receiving Agent following a request therefor, the Receiving Agent or the Company may terminate the agreement with you to allot Shares and, in such case, the Shares which would otherwise have been allotted and issued to you may be re-allotted and re-issued and your application monies will be returned to you at your risk to the bank or other account on which the cheque or other remittance accompanying the application was drawn without interest;
- 1.8 agree that you are not applying on behalf of a person engaged in money laundering;
- 1.9 undertake to ensure that, in the case of an application signed or submitted 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 Public Application Form;
- 1.10 undertake to pay interest at the rate described in paragraph 4 below if the remittance accompanying your Public Application Form is not honoured on first presentation;
- 1.11 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 Box 7, to deliver the number of Shares for which your application is accepted into CREST, and/or a crossed cheque for any monies returnable, by post to your address (or that of the first named applicant) as set out in your Public Application Form (and agree that where the monies returnable are less than the Offer Price of a Share such monies may be retained by the Company and donated to a charity nominated by the Company);
- 1.12 confirm that you have read and complied with paragraph 15;
- 1.13 agree that your Public Application Form is addressed to the Company and that any application may be rejected in whole or in part; and
- 1.14 acknowledge that the offer to the public of Shares is being made only in the United Kingdom and represent that you are a United Kingdom resident (unless you are able to provide such evidence as the Company may, in its absolute discretion, require that you are entitled to apply for Shares and be allotted Shares without compliance by the Company or any of its advisers with any regulatory, filing or other requirements or restrictions).

Acceptance of your offer

2. 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) either:
- 2.1 by notifying the UK Listing Authority of the basis of allocation (in which case the acceptance will be on that basis); or
- 2.2 by notifying acceptance to the Company.
3. The basis of allocation will be determined by the Global Coordinator in its absolute discretion (after consultation with the Company) and will be notified to investors. The right is reserved notwithstanding the basis so determined to reject in whole or in part and/or scale down any application in such manner as the Company in its entire discretion may determine. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Public Application or not in all respects completed or delivered in accordance with the instructions accompanying the Public Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of a Public Application Form where you have agreed with them in some other manner to apply in accordance with these Terms and Conditions of Public Application. The Company reserves the right (but shall not be obliged) to accept

Public Application Forms and accompanying remittances which are received otherwise than in accordance with these Terms and Conditions of Public Application.

4. The right is reserved to present all cheques for payment on receipt by the Receiving Agent and to retain documents of title and surplus application monies pending clearance of successful applicants' cheques. The Company may require you to pay interest or its other resulting costs (or both) if the cheque 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 cheque from the date on which the basis of allocation under the Offer for Subscription is publicly announced, until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Company for the relevant currency 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.

Conditions

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

- 5.1 Admission in accordance with the rules of the UK Listing Authority and the Admission and Disclosure Standards of the London Stock Exchange by 26 October 2012 (or such later time or date, as the Company and the Sole Bookrunner may agree); and
 - 5.2 the Placing Agreement referred to in section 7.1 of Part VII of the Prospectus becoming unconditional and the obligations of the Bookrunner and Sponsor there under not being terminated.
6. You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

Return of application monies

7. 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 by returning your cheque, or by crossed cheque in favour of the first named applicant, by post at the risk of the person(s) entitled thereto provided that where such amount to be returned is less than the Offer Price for a Share, such amount shall not be returned but instead shall be retained by the Company and paid to a charity nominated by the Company. In the meantime, application monies will be retained by the Receiving Agent in a separate account. Any interest earned (if any) on such account shall be retained for the benefit of the Company.

Warranties

8. By completing a Public Application Form, you:

- 8.1 warrant that, if you sign (or submit an electronic version of) a Public 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 Public Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor;
- 8.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, warrant that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company, the Registrar or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the Terms and Conditions of Public Application under the Offer for Subscription and that you will comply with all continuing requirements, directly or indirectly applicable to you, of any territory or jurisdiction outside the United Kingdom in connection with your application in the Offer for Subscription;

- 8.3 confirm that in making an application you are not relying on any information or representations in relation to the Company other than those contained in the Prospectus (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof shall have any liability for any such other information or representation;
- 8.4 agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations contained therein;
- 8.5 acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Registrar or the Receiving Agent;
- 8.6 warrant that you are not under the age of 18 on the date of your application;
- 8.7 agree that all documents and monies sent by post to, by, from or on behalf of the Company, the Registrar or the Receiving Agent will be sent at your risk and in the case of documents and returned monies 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 Public Application Form;
- 8.8 warrant that you are not applying as, or as nominee or agent of, a person who is or may be a person mentioned in any of sections 67, 70, 93 or 96 of the UK Finance Act 1986 (depository receipts and clearance services);
- 8.9 confirm that you have reviewed the restrictions contained in paragraphs 15 and 16 below and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions therein; and
- 8.10 confirm that you are not a U.S. person or a Resident of the United States.

Money Laundering

9. You agree to comply with the requirements of the UK Money Laundering Regulations, 2007 or The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 as amended, and The Criminal Justice (Proceeds of Crime) (Financial Services Businesses) (Bailiwick of Guernsey) Regulations 2007, as amended. Under the UK Money Laundering Regulations 2007, the Receiving Agent may be required to check the identity of persons who subscribe for in excess of the sterling equivalent of €15,000.00.

The Receiving Agent may therefore undertake electronic searches for the purposes of verifying identity and may request further proof of 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. Payments must be made by cheque or bankers' draft in Sterling drawn on a branch in the United Kingdom of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of any of these companies. Such cheques or bankers' drafts must bear the appropriate sort-code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to "Capita Registrars Re: BACIT Limited Offer for Subscription". Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts which comply with the requirements set out in paragraph 10 below. The account name should be the same as that shown on the application. Failure to provide the necessary evidence of identity may result in application(s) being rejected or delays in the dispatch of documents.

10. 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 ensure the bank or building society adds its stamp and that the building society cheque, banker's draft or money order is also signed by an authorised person at the bank or building society and their capacity stated.

11. If you are making the application as agent for one or more persons, you should provide evidence with the Public Application Form that you are subject to the EU Money Laundering Directive (Directive 2005/66/EC), confirming your regulated status and naming the regulatory authority of your home state.

12. For the purpose of Guernsey's money laundering regulations, a person making an application for Shares will not be considered as forming a business relationship with either the Company, the Registrar or with the Receiving Agent but will be considered as effecting a one-off transaction with either the Company or with the Receiving Agent.

13. The person(s) submitting an application for Shares will ordinarily be considered to be acting as principal in the transaction unless the Receiving Agent determines otherwise, whereupon you may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).

14. You should endeavour to have the declaration contained in Box 8 of the Public Application Form signed (or in the case of electronic submission, consented to) by an appropriate firm as described in that Part. If you cannot have that declaration signed, you must provide with the Public Application Form the identity documentation detailed in Box 9 of the Public Application Form for each underlying beneficial owner.

Overseas investors

15. Without prejudice to the acknowledgement and representation referred to in paragraph 1.14 above, if you receive a copy of the Prospectus or a Public Application Form in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use a Public Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or a Public Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the UK and wish to apply for Shares under the Offer for Subscription, to satisfy yourself as to full observance of the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

16. None of the Shares has been or will be registered under the Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States. Accordingly, the Shares may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. person or Resident of the United States. If you subscribe for Shares you will, unless the Company and the Receiving Agent agree otherwise in writing, be deemed to represent and warrant to the Company that you are not a U.S. person or Resident of the United States and that you are not subscribing for such Shares for the account of any U.S. person or Resident of the United States and will not offer, sell, renounce, transfer or deliver, directly or indirectly, such Shares in the United States or to any U.S. person or Resident of the United States. No application will be accepted if it bears an address in the United States.

The Data Protection (Bailiwick of Guernsey), Law 2001

17. Pursuant to The Data Protection (Bailiwick of Guernsey) Law, 2001 (the "DP Law"), the Company, the Administrator and/or the Registrar may hold personal data (as defined in the DP Law) relating to past and present Shareholders.

18. Such personal data held is used by the Registrar and/or the Administrator to maintain the Company's register of Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (a) effecting the payment of dividends and redemption proceeds to Shareholders and the payment of commissions to third parties and (b) filing returns of Shareholders and their respective transactions in Shares with statutory bodies and regulatory authorities. Personal data may not be retained on record for longer than is necessary for the purpose held.

19. The countries referred to above include but need not be limited to, those in the European Economic Area or the European Union and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States of America.

20. By becoming registered as a holder of Shares a person becomes a data subject (as defined in the DP Law) and each applicant consents to the processing by the Company, the Administrator or its Registrar of any personal data relating to them in the manner described above.

Miscellaneous

21. To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations) are expressly excluded in relation to the Shares and the Offer for Subscription.

22. The rights and remedies of the Company, the Registrar and the Receiving Agent under these Terms and Conditions of Public Application are in addition to any rights and remedies, which would otherwise be available to any of them, and the exercise or partial exercise of one will not prevent the exercise of others.

23. The Company reserves the right to delay the closing time of the Offer for Subscription from 1.00pm on 19 October 2012 by giving notice to the UK Listing Authority. In this event, the revised closing time will be published in such manner as the Company determines subject, and having regard, to the requirements of the UK Listing Authority.

24. The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned to you at your risk.

25. You authorise the Company or any person authorised by it, as your agent, to do all things necessary to effect registration of any Shares subscribed by you into your name(s) and authorise any representative of the Receiving Agent to execute and/or complete any document required therefor.

26. You agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription, and any non-contractual obligations associated therewith, shall be governed by and construed in accordance with English law and to 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 and contracts in any other manner permitted by law or in any court of competent jurisdiction.

27. The dates and times referred to in these Terms and Conditions of Public Application may be altered by the Company so as to be consistent with the Placing Agreement (as the same may be altered from time to time in accordance with its terms).

28. Shares which remain unapplied for under the Offer for Subscription may be placed with institutional and other investors at the relevant Offer Price.

29. You acknowledge that (i) an investment in the Company carries a high degree of risk and should be regarded as a long term investment particularly as regards the Company's investment objective and policy and (ii) the value of an investment in the Company may go down as well as up and you may not get back the amount originally invested.

30. Save where the context requires otherwise, terms defined in the Prospectus have the same meanings in these Terms and Conditions of Public Application.

PART X – NOTES ON HOW TO COMPLETE THE PUBLIC APPLICATION FORM

Notes on Completion of the Application Form

It is essential that you complete all parts of the Application Form in accordance with the following instructions.

1. Application Details

Using black ink and capital letters, please insert the full name and address of the applicant in Box 1 as you wish it to appear on the BACIT Limited share register, should your application be successful. Please note if you are applying as a nominee, Box 1 must be completed in the legally registered name of the nominee.

If this application is being made jointly with other persons, please read Note 7 before completing Part 1.

Applications can only be made by persons who are over the age of 18.

2. Application and Amount Payable

Insert in Box 2 the total amount you wish to invest in the BACIT Limited IPO. Applications must be for a **minimum of £1,000** and **thereafter in multiples of £1,000** (or, in each case, such lesser amount as the Company may in its absolute discretion determine).

Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is made in order to benefit most favourably from the scaling back process should this be required. If you are not a financial intermediary you are strongly advised to seek independent financial advice before subscribing for Shares.

Payment

Payments must be made by cheque or bankers' draft in pounds sterling, drawn at a branch in the United Kingdom of a bank or building society. Your payment must relate solely to this application. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to 'Capita Registrars Limited re: BACIT Limited' (crossed A/C payee only). Third party cheques will 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 building society cheque/bankers' draft to such effect. Any monies returned will be sent by cheque crossed "A/C Payee" in favour of the sole or first-named applicant.

The account name should be the same as that shown on the application.

Money Laundering Regulations

Under the Money Laundering Regulations 2007, Capita Registrars Limited (Capita) may be required to check the identity of persons who subscribe for more than the sterling equivalent of €15,000.

Capita may therefore undertake electronic searches for the purposes of verifying identity. To do so, Capita may verify the details against the Applicant's identity, but also may request further proof of identity. Capita reserve the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.

3. Contact Details

Please complete Box 3 with appropriate contact details, which may be used in the event of a query with your application. If no details are provided here but an intermediary is identified in Box 7, the Receiving Agent will contact the intermediary. 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.

4. Dividend Payments

Please complete Box 4 by printing the word 'YES' against ONE option to indicate how you would like any potential dividend payments to be received, or leave both boxes blank if you do not wish to make an election at this time. In absence of an election, now or in the future, any potential future dividend payments will be made by cheque.

5. Bank Mandate

If you elected to receive payments electronically in Box 4, please complete Box 5 with your bank details in order to receive any potential dividend payments directly to your bank account.

6. Signature

Execution by Individuals: Please sign and date Box 6.

Execution by Corporates: Please sign and date Box 6 in line with your Company signing authority, stating your capacity.

The Application Form may only be signed by someone other than the applicant named in Box 1 if duly authorised to do so. In such cases the original Power of Attorney (or other relevant legal document), or duly certified copy thereof, must be enclosed for inspection.

7. Joint Applicants

If you make a joint application, you will not be able to transfer your Shares into an ISA. If you are interested in transferring your Shares into an ISA, you should apply in your name only. If you do wish to apply jointly, you may do so with up to three other persons. The address details in Box 1 and Boxes 2, 3, 4 and 5 must be completed by one applicant. All other persons who wish to join in the application must insert their name in Box 1 and complete and sign Box 6. You must be able to give the confirmations, agreements, acknowledgements and representations contained in the Terms and Conditions of Public Application for each such person. Another person may sign on behalf of any joint applicant if that other person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection. Certificates, cheques and other correspondence will be sent to the address in Box 3.

8. CREST

If you wish to register your Shares directly into your CREST account, you should insert the relevant details in Box 7.

9. Reliable Introducer Declaration

Applications will be subject to Guernsey's verification of identity requirements. This will involve you providing the verification of identity documents listed in Box 9 of the Public Application Form UNLESS you can have the declaration provided at Box 8 of the Public Application Form given and signed by a firm acceptable to the Registrar and the Company. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the declaration provided in Box 8 of the Public Application Form completed and signed by a suitable firm.

10. Identity Information

Applicants need only consider Box 9 of the Public Application Form if the declaration in Box 8 cannot be completed. Notwithstanding that the declaration in Box 8 has been completed and signed the Receiving Agent reserves the right to request of you the identity documents listed in Box 9 and/or to seek verification of identity of each holder and payer (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application may be rejected or revoked. Where certified copies of documents are requested in Box 9, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

**PLEASE AFFIX YOUR CHEQUE OR BANKERS' DRAFT TO THE BOTTOM LEFT CORNER
OF THE APPLICATION FORM**

PUBLIC APPLICATION FORM

Return this form by post or (during normal business hours only) by hand, to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU to arrive no later than 1pm on 19 October 2012 together in each case with payment in full in respect of the application. If you post your form, you are recommended to use first class post and to allow at least 3 days for delivery. Forms received after this date may be returned.

[illegible]

[illegible][illegible]

Box 2 – Application and Amount Payable

I have attached a cheque for:	£
--------------------------------------	----------

Box 3 – Contact Details

[illegible]

Subject to the discretion of the Board the Company may distribute dividends. You can choose to provide us with your bank details so these can be paid directly to your account. Please indicate how you would like to receive any potential future dividends by printing the word 'YES' against ONE option in the appropriate box below, or leave both boxes blank if you do not wish to make an election at this time.

I wish to receive potential future dividend payments by cheque	
I wish to receive potential future dividend payments electronically	

Box 5 – Bank Mandate

Bank Name	
Bank Sort Code	
Bank Account Number	
Account Reference (if applicable)	

Box 6 – Signature

By signing box 6 below you are confirming that you have read and agree to be bound by the terms and conditions of the Offer for Subscription. Copies of the prospectus are available on the company website www.bacitltd.com

Individual Application

Applicant Signature		Date	/ /
Print Name			

Second Applicant Signature (if applicable)		Date	/ /
Print Name			

Third Applicant Signature (if applicable)		Date	/ /
Print Name			

Fourth Applicant Signature (if applicable)		Date	/ /
Print Name			

Corporate Application

Authorised Corporate Signature (with second signatory, if applicable)		Date	/ /
Print Name & State Capacity			

For Corporate applications please affix Company Seal here (if applicable)		Date	/ /
--	--	-------------	--------------

Box 7 – CREST details (only complete this section if you wish to register your application directly into your CREST account)

CREST Participant ID:						CREST Member Account ID:								
-----------------------	--	--	--	--	--	--------------------------	--	--	--	--	--	--	--	--

Box 8 – DECLARATION: To the Company and the Receiving Agent

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed below in Box 9. The declaration below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established firm or an established law firm or accountancy firm) (the “**firm**”) which is itself subject in its own country to operation of ‘know your customer’ and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom and Guernsey. Acceptable countries include Austria, Australia, Belgium, Bulgaria, Canada, Cyprus, Denmark, Estonia, Finland, France, Germany, Gibraltar, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Jersey, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, and the United States of America.

With reference to the holder detailed in Box 1, all persons signing at Box 6 (collectively “the subjects”) I/WE HEREBY DECLARE:

1. I/we operate in one of the above mentioned countries and our firm is subject to money laundering regulations under the laws of that country which, to the best of our knowledge, are no less stringent than those which prevail in the United Kingdom and Guernsey;
2. I/we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
3. each of the subjects is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
4. I/we confirm the accuracy of the names and residential/business address of the holder given in section 1.
5. having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Shares mentioned; and
6. where the payer and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payer being different to the holder(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of this firm or its officials.

Signed:

Name:

Position:

having authority to bind the firm.

Name of regulatory authority

Firm’s Licence number:

Website address or telephone number of regulatory authority.....

STAMP of firm giving full name and business address.....

Box 9 – Identity documents

Applications with a value greater than €15,000 (approximately £12,750) will be subject to Guernsey's verification of identity requirements. This will involve you providing the verification of identity documents listed below UNLESS you can have the declaration provided in Box 8 of the Application Form given and signed by a firm acceptable to the Registrar and Receiving Agent. In order to ensure your Application is processed timely and efficiently all Applicants are strongly advised to have the declaration provided in Box 8 completed and signed by a suitable firm.

If the declaration in Box 8 cannot be completed and the value of the Application is greater than €15,000 (approximately £12,750), in accordance with internationally recognised standards for the prevention of money laundering, the documents listed below must be provided with the completed Application Form as appropriate. Notwithstanding that the declaration in Box 8 has been completed and signed the Receiving Agent reserves the right to request of you the identity documents listed below and/or to seek verification of identity of each holder from your bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your Application may be rejected or revoked. Where certified copies of documents are requested below, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

A. For each holder being an individual enclose:

- (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
- (2) certified copies of at least two of the following documents which purport to confirm that the address given in section 1 is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill – a recent bank statement – a council rates bill – or similar document issued by a recognised authority; and
- (3) if none of the above documents show their date and place of birth, enclose a note of such information; and
- (4) details of the name and address of their personal bankers from which the Registrar or the Receiving Agent may request a reference, if necessary.

B. For each holder being a company (a "holder company") enclose:

- (1) a certified copy of the certificate of incorporation of the holder company; and
- (2) the name and address of the holder company's principal bankers from which the Registrar or the Receiving Agent may request a reference, if necessary; and
- (3) a statement as to the nature of the holder company's business, signed by a director; and
- (4) a list of the names and residential addresses of each director of the holder company; and
- (5) for each director provide documents and information similar to that mentioned in A above; and
- (6) a copy of the authorised signatory list for the holder company; and
- (7) a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company. Where a person is named, also provide documents and information similar to that mentioned in A above. Where another company is named (hereinafter a "**beneficiary company**"), provide:
 - (a) a certified copy of the certificate of incorporation of that beneficiary company;
 - (b) a statement as to the nature of that beneficiary company's business signed by a director;
 - (c) the name and address of that beneficiary company's principal bankers from which the Receiving Agent may request a reference, if necessary; and
 - (d) enclose a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.

If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

The Receiving Agent reserves the right to ask for additional documents and information.

Please affix your cheque to this application form.