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A copy of this document, which comprises a prospectus (the “Prospectus”) relating to Sequoia Economic Infrastructure Income Fund Limited (the “Company”) prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (“FCA”) made pursuant to section 85 of FSMA, has been delivered to the FCA and has been made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, TO ANY U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”)) OR INTO THE UNITED STATES, OR ANY EXCLUDED TERRITORY (AS DEFINED HEREIN) OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

NOT FOR SUBSCRIPTION IN GERMANY BY ANY PRIVATE INVESTORS AS DEFINED IN SECTION 1 PARA 19 NO 31 OF THE GERMAN INVESTMENT CODE (KAPITALANLAGEGESETZBUCH).

NOT FOR SUBSCRIPTION IN LUXEMBOURG BY ANY INVESTOR OTHER THAN A PROFESSIONAL INVESTOR AS DEFINED IN DIRECTIVE 2004/39/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 21 APRIL 2004 ON MARKETS IN FINANCIAL INSTRUMENTS.

Application will be made to the UK Listing Authority for the Ordinary Shares to be issued pursuant to an Ordinary Share Placing, Open Offer and Offer for Subscription to be admitted to the premium segment of the Official List and for all such Ordinary Shares to be admitted to trading on the London Stock Exchange’s Main Market for listed securities. It is expected that such admission will become effective and that dealings in such Ordinary Shares will commence at 8.00 a.m. on or around 31 May 2017.

Application will be made from time to time to the UK Listing Authority for the Placing Programme Shares to be issued pursuant to the Placing Programme to be admitted to the premium segment of the Official List and for all such Placing Programme Shares to be admitted to trading on the London Stock Exchange’s Main Market for listed securities. Admission of such Placing Programme Shares will become effective and dealings in such Placing Programme Shares will commence not later than 2 May 2018.

The Ordinary Shares are not dealt in on any other recognised investment exchanges and no applications for the Ordinary Shares to be traded on any such other exchanges have been made or are currently expected to be made.

The Directors, whose names and functions appear in the “Directors, Agents and Advisers” section of this Prospectus, and the Company itself, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and of the Company (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.

International Fund Management Limited (the “**Investment Manager**”) accepts responsibility for the information contained in this document attributed or pertaining to it. To the best of the knowledge of the Investment Manager, which has taken all reasonable care to ensure that such is the case, the information contained in this document attributed or pertaining to it is in accordance with the facts and contains no omission likely to affect its import.

Sequoia Investment Management Company Limited (the “**Investment Adviser**”) accepts responsibility for the information contained in this document attributed or pertaining to it. To the best of the knowledge of the Investment Adviser, which has taken all reasonable care to ensure that such is the case, the information contained in this document attributed or pertaining to it is in accordance with the facts and contains no omission likely to affect its import.

Although the whole text of this document (and the documents incorporated by reference) should be read, the attention of persons receiving this document and of potential investors in the Company are drawn to the section headed “Risk Factors” contained on pages 30 to 51 of this document.

The latest time and date for applications under the Open Offer is 11.00 a.m. on 24 May 2017 and the latest time and date for applications under the Offer for Subscription is 3.00 p.m. on 24 May 2017. For more information about the Issue, please refer to the section entitled “The Issue” in Part 7 of this Prospectus.

Sequoia Economic Infrastructure Income Fund Limited

(a company incorporated in Guernsey under the Companies (Guernsey) Law, 2008, as amended) with registered no. 59596)

**Open Offer, Ordinary Share Placing and Offer for Subscription
for a target issue of approximately £125 million new Ordinary Shares to be issued at
105.5 pence per Ordinary Share**

and

Placing Programme in respect of up to 200 million Ordinary Shares

Stifel

Sponsor and Sole Bookrunner

Stifel Nicolaus Europe Limited (“**Stifel**”) is authorised and regulated in the United Kingdom by the FCA and is acting for the Company and no one else in connection with the Issue, the Placing Programme and the contents of this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Issue and the Placing Programme and the contents of this document or any matters referred to herein. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Stifel may have under FSMA or the regulatory regime established thereunder. Stifel takes no responsibility for any part of the contents of this document pursuant to sections 79(3) or 90 of FSMA and does not accept any responsibility for, or authorise, any part of the contents of this document under rule 5.5 of the Prospectus Rules of the FCA.

Neither the Ordinary Shares nor the Placing Programme Shares have been nor will they be registered under the U.S. Securities Act or under any laws of, or with any securities regulatory authority of, any state or other jurisdiction of the United States and neither the Ordinary Shares nor the Placing Programme Shares may be offered, sold, resold, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act (“**Regulation S**”)) (a “**U.S. Person**”) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States, and under circumstances that would not result in the Company being in violation of the U.S. Investment Company Act of 1940, as amended (the “**U.S. Investment Company Act**”). There will be no offer or sale of the Ordinary Shares or Placing Programme Shares in the United States. The Company has not been and will not be registered under the U.S. Investment Company Act nor will either the Investment Manager or the Investment Adviser be registered as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the “**U.S. Investment Advisers Act**”). Consequently, investors will not be entitled to the benefits and protections of the U.S. Investment Company Act or the U.S. Investment Advisers Act.

Neither the United States Securities and Exchange Commission nor any other U.S. federal or state securities commission has approved or disapproved of the Ordinary Shares or the Placing Programme Shares or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offense.

Neither the Ordinary Shares nor the Placing Programme Shares may be acquired by: (i) investors using assets of: (A) an “employee benefit plan” that is subject to Part 4 of Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”); (B) a “plan” to which Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “**U.S. Tax Code**”), applies; or (C) an entity whose underlying assets are considered to include “plan assets” by reason of investment by an “employee benefit plan” or “plan” described in the preceding clauses (A) or (B) in such entity; or (ii) a governmental plan (as defined in Section 3(32) of ERISA), a church plan (as defined in Section 3(33) of ERISA) that has not made an election under Section 410(d) of the U.S. Tax Code, or a non-U.S. plan that is subject to any federal, state, local or non-U.S. law that regulates its investments (a “**Similar Law**”), unless such governmental, church or non-U.S. plan’s purchase, holding, and disposition of the Ordinary Shares or the Placing Programme Shares will not constitute or result in a violation of any Similar Law that prohibits or imposes an excise or penalty tax on the purchase of the Ordinary Shares or the Placing Programme Shares.

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

This document is dated 3 May 2017.

TABLE OF CONTENTS

| | <i>Page</i> |
|--|-------------|
| SUMMARY | 4 |
| RISK FACTORS | 30 |
| IMPORTANT INFORMATION | 52 |
| DIRECTORS, AGENTS AND ADVISERS | 60 |
| EXPECTED TIMETABLE | 62 |
| ISSUE STATISTICS | 64 |
| PLACING PROGRAMME STATISTICS | 64 |
| PART 1 INVESTMENT OBJECTIVE AND POLICY | 65 |
| PART 2 THE GROUP | 69 |
| PART 3 MANAGEMENT AND ADMINISTRATION | 88 |
| PART 4 BACKGROUND TO ECONOMIC INFRASTRUCTURE AND ASSOCIATED DEBT INVESTMENT OPPORTUNITIES | 97 |
| PART 5 EXISTING PORTFOLIO | 103 |
| PART 6 TARGET PORTFOLIO | 111 |
| PART 7 THE ISSUE | 113 |
| PART 8 TERMS AND CONDITIONS OF THE ORDINARY SHARE PLACING | 121 |
| PART 9 TERMS AND CONDITIONS OF THE OFFER FOR SUBSCRIPTION | 133 |
| PART 10 TERMS AND CONDITIONS OF THE OPEN OFFER | 140 |
| PART 11 TAXATION | 163 |
| PART 12 ADDITIONAL INFORMATION ON THE COMPANY | 167 |
| PART 13 FINANCIAL INFORMATION ON THE COMPANY | 201 |
| PART 14 DOCUMENTATION INCORPORATED BY REFERENCE | 202 |
| PART 15 THE PLACING PROGRAMME | 203 |
| PART 16 TERMS AND CONDITIONS OF THE PLACING PROGRAMME | 206 |
| DEFINITIONS | 213 |
| OFFER FOR SUBSCRIPTION APPLICATION FORM | 227 |
| NOTES ON HOW TO COMPLETE THE OFFER FOR SUBSCRIPTION APPLICATION FORM | 233 |

SUMMARY

Summaries are made up of disclosure requirements known as ‘Elements’. These elements are numbered in Sections A–E (A.1–E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of 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 | | <ul style="list-style-type: none"> • This summary should be read as an introduction to the Prospectus; • any decision to invest in the securities should be based on a 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 any sovereign state which is a member of the European Union, 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. |
| A.2 | Subsequent resale of securities or final placement of securities through financial intermediaries | Not applicable. Sequoia Economic Infrastructure Income Fund Limited (the “ Company ”) is not engaging any financial intermediaries for any resale of securities or final placement of securities after the publication of this document. |
| Section B – The Company | | |
| B.1 | The legal and commercial name of the Company | Sequoia Economic Infrastructure Income Fund Limited. |
| B.2 | Domicile and legal form of the Company | The Company is a Guernsey-domiciled, non-cellular company limited by shares with an unlimited life, incorporated under the Companies (Guernsey) Law, 2008, as amended (the “ Guernsey Companies Law ”) on 30 December 2014 with registered number 59596. Its registered office is situated at Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR. |

| B.5 | Details of any group of which the Company forms part | The Company holds 100 per cent. of the issued share capital in Sequoia IDF Asset Holdings S.A. (the “ Subsidiary ”, and, together with the Company, the “ Group ”). | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|---|-------------|--|------------------------------------|----------------------------|----------------------|------------|---------------------------------|------------|--|-----------------------------------|---|-----------|---|-------|--|----------------|------------|-------|-------------------------|------------|-------|--------------------|------------|-------|--------------------------------|------------|-------|
| B.6 | Notifiable interests | <p>As at 2 May 2017 (being the latest practicable date before publication of this document), the Company is aware of the following existing shareholders of the Company who were at such time interested, directly or indirectly, in five per cent. or more of the Company’s issued share capital:</p> <table data-bbox="638 465 1396 857"> <thead> <tr> <th data-bbox="638 499 997 533">Name</th> <th data-bbox="1005 465 1220 533">Number of Ordinary Shares</th> <th data-bbox="1228 465 1396 533">Percentage of voting rights</th> </tr> </thead> <tbody> <tr> <td data-bbox="638 544 997 577">SEB Pensionsforsikring A/S</td> <td data-bbox="1005 544 1220 577">66,236,639</td> <td data-bbox="1228 544 1396 577">11.12%</td> </tr> <tr> <td data-bbox="638 577 997 611">Old Mutual Global Investors</td> <td data-bbox="1005 577 1220 611">51,478,363</td> <td data-bbox="1228 577 1396 611">8.63%</td> </tr> <tr> <td data-bbox="638 611 997 645">Investec Wealth & Investment (RS)</td> <td data-bbox="1005 611 1220 645">42,033,610</td> <td data-bbox="1228 611 1396 645">7.05%</td> </tr> <tr> <td data-bbox="638 645 997 678">Smith & Williamson</td> <td data-bbox="1005 645 1220 678"></td> <td data-bbox="1228 645 1396 678"></td> </tr> <tr> <td data-bbox="638 678 997 712">Investment Mgt</td> <td data-bbox="1005 678 1220 712">39,523,124</td> <td data-bbox="1228 678 1396 712">6.63%</td> </tr> <tr> <td data-bbox="638 712 997 745">Rathbone Investment Mgt</td> <td data-bbox="1005 712 1220 745">36,925,190</td> <td data-bbox="1228 712 1396 745">6.20%</td> </tr> <tr> <td data-bbox="638 745 997 779">Sarasin & Partners</td> <td data-bbox="1005 745 1220 779">34,847,381</td> <td data-bbox="1228 745 1396 779">5.85%</td> </tr> <tr> <td data-bbox="638 779 997 813">Quilter Cheviot Investment Mgt</td> <td data-bbox="1005 779 1220 813">33,079,756</td> <td data-bbox="1228 779 1396 813">5.55%</td> </tr> </tbody> </table> <p data-bbox="638 880 1396 947">All ordinary shareholders have the same voting rights in respect of the ordinary share capital of the Company.</p> | Name | Number of Ordinary Shares | Percentage of voting rights | SEB Pensionsforsikring A/S | 66,236,639 | 11.12% | Old Mutual Global Investors | 51,478,363 | 8.63% | Investec Wealth & Investment (RS) | 42,033,610 | 7.05% | Smith & Williamson | | | Investment Mgt | 39,523,124 | 6.63% | Rathbone Investment Mgt | 36,925,190 | 6.20% | Sarasin & Partners | 34,847,381 | 5.85% | Quilter Cheviot Investment Mgt | 33,079,756 | 5.55% |
| Name | Number of Ordinary Shares | Percentage of voting rights | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SEB Pensionsforsikring A/S | 66,236,639 | 11.12% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Old Mutual Global Investors | 51,478,363 | 8.63% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investec Wealth & Investment (RS) | 42,033,610 | 7.05% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Smith & Williamson | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment Mgt | 39,523,124 | 6.63% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rathbone Investment Mgt | 36,925,190 | 6.20% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sarasin & Partners | 34,847,381 | 5.85% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Quilter Cheviot Investment Mgt | 33,079,756 | 5.55% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.7 | Selected historical key financial information and significant change to the Company’s financial condition and operating results | <p>The selected historical financial information set out below, which has been prepared under IFRS, has been extracted without material adjustment from the audited financial statements of the Company for the period from the Company’s incorporation (being 30 December 2014) to 31 March 2016 and as such, comparative audited financial information is not available:</p> <table data-bbox="638 1205 1396 1619"> <thead> <tr> <th data-bbox="638 1205 1220 1373"></th> <th data-bbox="1228 1205 1396 1373">For the period from 30 December 2014 (date of incorporation) to 31 March 2016 (audited)</th> </tr> <tr> <th data-bbox="638 1373 1220 1406"></th> <th data-bbox="1228 1373 1396 1406">£</th> </tr> </thead> <tbody> <tr> <td data-bbox="638 1417 1220 1451">Total Revenue</td> <td data-bbox="1228 1417 1396 1451">13,399,470</td> </tr> <tr> <td data-bbox="638 1451 1220 1485">Total Operating Expenses</td> <td data-bbox="1228 1451 1396 1485">2,177,654</td> </tr> <tr> <td data-bbox="638 1485 1220 1518">Basic and Diluted earnings per Ordinary Share</td> <td data-bbox="1228 1485 1396 1518">0.0539</td> </tr> <tr> <td data-bbox="638 1518 1220 1552">Dividends paid during the period</td> <td data-bbox="1228 1518 1396 1552">5,252,534</td> </tr> <tr> <td data-bbox="638 1552 1220 1585">Net Asset Value per Ordinary Share</td> <td data-bbox="1228 1552 1396 1585">0.982</td> </tr> </tbody> </table> <p data-bbox="638 1641 1396 2022">The selected historical financial information set out below, which has been prepared under IFRS, has been extracted without material adjustment from the Company’s 30 September 2016 unaudited interim financial statements for the six month period ended 30 September 2016. Comparative unaudited financial information relates to the nine month period from the Company’s incorporation on 30 December 2014 to 30 September 2015. While the Company was incorporated on 30 December 2014, it was only admitted to trading on the London Stock Exchange’s Main Market for listed securities (“Main Market”) on 3 March 2015 (“IPO”). The comparative unaudited financial information during this nine</p> | | For the period from 30 December 2014 (date of incorporation) to 31 March 2016 (audited) | | £ | Total Revenue | 13,399,470 | Total Operating Expenses | 2,177,654 | Basic and Diluted earnings per Ordinary Share | 0.0539 | Dividends paid during the period | 5,252,534 | Net Asset Value per Ordinary Share | 0.982 | | | | | | | | | | | | | |
| | For the period from 30 December 2014 (date of incorporation) to 31 March 2016 (audited) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | £ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Revenue | 13,399,470 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Operating Expenses | 2,177,654 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Basic and Diluted earnings per Ordinary Share | 0.0539 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dividends paid during the period | 5,252,534 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net Asset Value per Ordinary Share | 0.982 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

month period therefore covers a post-IPO trading period of six months and 21 business days. During this initial 21 day period, the Company's unaudited NAV increased from 98.0 pence at IPO to 98.23 pence as at 31 March 2015.

| | For the six month period ended 30 September 2016 (unaudited) £ | For the period from 30 December 2014 (date of incorporation) to 30 September 2015 (unaudited) £ |
|--|---|--|
| Total Revenue | 22,214,791 | (448,665) |
| Total Operating Expenses | 2,221,079 | 777,556 |
| Basic and Diluted (loss)/ earnings per Ordinary Share | 6.09 | (0.82) |
| Basic and Diluted earnings per C Share | 1.46 | (-) |
| Dividends paid during the period | 9,078,344 | 1,500,399 |
| Net Asset Value per Ordinary Share | 1.0129 | 0.9620 |
| Net Asset Value per C Share | 0.9921 | - |

The Company commenced trading activities on 3 March 2015 following a successful oversubscribed issue of 150 million ordinary shares of no par value in the Company ("**Ordinary Shares**") and admission to the Main Market. On IPO, the Company raised net proceeds of approximately £147 million.

By way of an open offer, placing and offer for subscription on 2 November 2015 ("**First C Share Issue**"), the Company raised further gross proceeds of approximately £147 million through the issue of 146,853,627 C shares of no par value in the capital of the Company ("**C Shares**"). On 3 February 2016, the Company announced that it had invested, or committed to invest, in excess of 85 per cent. of the net issue proceeds raised through the First C Share Issue, triggering the conversion of the C Shares to new Ordinary Shares. The Company announced on 3 March 2016 that the C Shares had converted to new Ordinary Shares and had been admitted to the Premium Listing segment of the official list of the UK Listing Authority ("**Official List**") and to trading on the Main Market.

By way of a further open offer, placing and offer for subscription of C Shares on 10 June 2016 ("**Second C Share Issue**"), the Company raised further gross proceeds of approximately £175 million. On 12 September 2016, the Company announced that it had invested, or committed to invest, in excess of 85 per cent. of the net issue proceeds raised through the second C Share Issue, triggering the conversion of the C Shares to new Ordinary Shares. The Company announced on 18 October 2016 that the C Shares had converted to new Ordinary Shares and had

| | | |
|------|--|--|
| | | <p>been admitted to the Premium Listing segment of the Official List and to trading on the Main Market.</p> <p>By way of a placing programme of Ordinary Shares created on 6 May 2016 (“Placing Programme”), on 7 December 2016 the Company raised further gross proceeds of approximately £126 million. The Ordinary Shares were admitted to the Premium Listing segment of the Official List and to trading on the Main Market.</p> <p>As at 11 April 2017 the Group has invested approximately 96 per cent. of the Net Asset Value (“NAV”) of the Company¹ (including any unsettled trades) according to its investment objectives and policy and its existing investment portfolio consists of 44 loans and bonds (excluding any unsettled trades). The unaudited adjusted Net Asset Value (the “Adjusted NAV”) of the Company, as at 11 April 2017 is 101.36 pence per Ordinary Share.²</p> <p>Other than the disclosure above, there has been no significant change in the financial condition or operating results during or subsequent to the period covered by the historical financial information.</p> |
| B.8 | Selected key pro forma financial information | Not applicable. No pro forma financial information is included in this document. |
| B.9 | Profit forecast or estimate | Not applicable. No profit forecast or estimate is made in this document. |
| B.10 | Qualifications in the audit report | Not applicable. |
| B.11 | Insufficiency of working capital | Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is, for at least the next 12 months following the date of this document. |
| B.34 | Description of investment objective, policy and investment restrictions | <p>Investment Policy</p> <p><i>Current Company Investment Policy</i></p> <p>The Company’s current investment policy is as follows:</p> <p><i>Investment Objective</i></p> <p>The Company’s investment objective is to provide investors with regular, sustained, long-term distributions and capital appreciation from a diversified portfolio of senior and subordinated economic infrastructure debt investments. This objective is subject to the Group having a sufficient level of investment capital from time to time and the ability of the Group to invest its cash in suitable investments and is subject to the Investment Criteria.</p> |

1 Percentages calculated by dividing the current value of the invested assets by the current NAV.

2 The Adjusted NAV is calculated as the NAV as at 11 April 2017 less the dividend of 1.5 pence per Ordinary Share in respect of the period to 31 March 2017.

| | | <p>Asset Allocation</p> <p>The Company’s objective is to maintain its portfolio so that not more than 10 per cent. by value of the Group’s Net Asset Value (at the time of the investment) consists of securities or loans relating to any one individual infrastructure asset. In addition, the Company intends to invest directly or indirectly only in debt exposures that satisfy the following criteria, such investments to make up a minimum of 80 per cent. by value of the Group’s investments at the time of investment (“Investment Criteria”):</p> <ul style="list-style-type: none"> • where all or substantially all of the associated underlying revenues are from Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, New Zealand, Norway, Poland, Portugal, Spain, Sweden, Switzerland, the Netherlands, the UK or the U.S., provided that any such jurisdiction is rated (in respect of its local currency sovereign ceiling) at the time of investment at least BBB- by S&P or Baa3 by Moody’s (each, an “Eligible Jurisdiction”); • where all or substantially all of the associated underlying revenues are from business activities in the sectors below. In addition to the sub-sectors mentioned below, the Group may invest in other sub-sectors within the sectors listed below where considered appropriate; <table border="0"> <thead> <tr> <th data-bbox="643 1016 722 1043">Sector</th> <th data-bbox="986 1016 1358 1043">Example of typical sub-sectors</th> </tr> </thead> <tbody> <tr> <td data-bbox="643 1059 756 1086">Transport</td> <td data-bbox="986 1059 1378 1122">(i) roads*; (ii) rail*; (iii) airports*; and (iv) ports*</td> </tr> <tr> <td data-bbox="643 1128 938 1155">Transportation equipment</td> <td data-bbox="986 1128 1358 1191">(i) aircraft; (ii) rolling stock; and (iii) shipping</td> </tr> <tr> <td data-bbox="643 1198 735 1225">Utilities</td> <td data-bbox="986 1198 1362 1364">(i) water and waste*; (ii) electricity distribution and transmission*; (iii) electricity supply; (iv) gas distribution and transmission*; and (v) pipelines*</td> </tr> <tr> <td data-bbox="643 1370 719 1397">Power</td> <td data-bbox="986 1370 1362 1433">(i) power purchase contracts; and (ii) electricity generation</td> </tr> <tr> <td data-bbox="643 1440 852 1467">Renewable energy</td> <td data-bbox="986 1440 1358 1503">(i) solar; (ii) wind; (iii) biomass; and (iv) waste-to-energy</td> </tr> <tr> <td data-bbox="643 1509 906 1608">Telecommunication, Media and Technology infrastructure</td> <td data-bbox="986 1509 1378 1608">(i) mobile phone towers; (ii) fixed line networks; (iii) data centres; and (iv) satellites</td> </tr> <tr> <td data-bbox="643 1615 799 1677">Infrastructure accommodation</td> <td data-bbox="986 1615 1347 1677">(i) student accommodation; and (ii) elderly care facilities</td> </tr> </tbody> </table> <p><i>Note:</i> Each sub-sector marked with a “*” is a “Major Sub-Sector”.</p> <ul style="list-style-type: none"> • predominantly, but not exclusively, operational projects, since the Investment Adviser believes that once an infrastructure asset has been constructed and the contracted cashflows relating to the project have commenced, many of the risks associated with investments in such assets are significantly reduced; • in excess of half of its portfolio to be floating rate (including fixed rate instruments converted to floating rate | Sector | Example of typical sub-sectors | Transport | (i) roads*; (ii) rail*; (iii) airports*; and (iv) ports* | Transportation equipment | (i) aircraft; (ii) rolling stock; and (iii) shipping | Utilities | (i) water and waste*; (ii) electricity distribution and transmission*; (iii) electricity supply; (iv) gas distribution and transmission*; and (v) pipelines* | Power | (i) power purchase contracts; and (ii) electricity generation | Renewable energy | (i) solar; (ii) wind; (iii) biomass; and (iv) waste-to-energy | Telecommunication, Media and Technology infrastructure | (i) mobile phone towers; (ii) fixed line networks; (iii) data centres; and (iv) satellites | Infrastructure accommodation | (i) student accommodation; and (ii) elderly care facilities |
|--|--|---|---------------|---------------------------------------|-----------|--|--------------------------|--|-----------|--|-------|---|------------------|---|--|--|------------------------------|---|
| Sector | Example of typical sub-sectors | | | | | | | | | | | | | | | | | |
| Transport | (i) roads*; (ii) rail*; (iii) airports*; and (iv) ports* | | | | | | | | | | | | | | | | | |
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cashflows through asset swaps) or inflation-linked debt although investments will be a combination of floating rate, fixed rate and inflation linked instruments; and

- structured as loans, notes and bonds.

Risk Diversification

The following concentration limits on investments have been set by the directors of the Company (“**Directors**”) (the “**Investment Concentration Limits**”):

| Maximum individual exposure | Diversification by sector | Diversification by sub-sector | Jurisdictional diversification | Construction Risk |
|---|---|---|---|--|
| | (e.g., transport, utility, renewable etc.) | (e.g., road, airport etc.) | | |
| No more than 10% by value of NAV consists of exposure in any one individual asset | No single sector will represent more than 40% of total assets | No single sub-sector will represent more than 15% of total assets, other than for the Major Sub-Sectors which may represent up to 25% of total assets | No more than: 50% in the United States; 50% in Western Europe (ex-UK); 40% in the UK; and 20% in Australia and New Zealand combined, in each case | Pre-operational projects (which are typically projects in construction) will not represent more than 20% of the total assets |

Note: All concentration limits are applicable at the time of investment.

Current gearing and maximum exposures

The Company may, from time to time, utilise borrowings for share buybacks and short term liquidity or short term investment purposes (including, securities lending or repurchase agreements), but such borrowings will not exceed 20 per cent. of the Company’s Net Asset Value.

Proposed Company investment objective and policy

Provided that the requirements of Listing Rule 15.4.8 are met, including receipt of approval from the Company’s shareholders, the Investment Adviser has proposed that the jurisdictional diversification limit for the United States (set out below) be increased from 50 per cent. to 60 per cent.

The Investment Adviser is seeing a growing amount of attractive opportunities in the U.S. due to a combination of macroeconomic and political factors. The immediate asset pipeline contains approximately £100 million equivalent worth of North American investments. These projects are spread across the Telecommunication, Media and Technology Infrastructure, Power and other infrastructure sectors of the Investment Policy. Currently, the Investment Adviser has limited the number of projects in the United States in the Company’s pipeline due to the

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| | | <p>current 50 per cent. maximum constraint contained in its Investment Policy, and the Directors believe an increase to 60 per cent. would benefit the portfolio by accessing a wider range of transactions, with attractive risk/return profiles.</p> <p>The U.S. economy has continued to benefit from low and falling unemployment and recently three-month U.S. Dollar Libor has risen above one per cent. for the first time since 2009. Additionally, any stimulus program centred around tax cuts has the potential to lead to an increase in private-sector lending to infrastructure projects in the U.S. Finally, the U.S. President has announced a US\$1 trillion infrastructure spending target (over several years) which is expected to require a sizeable private-sector contribution.</p> <p>The flexibility to increase the concentration of U.S. assets in the portfolio should allow the Company to consider a broader set of opportunities when deploying future proceeds.</p> <p>All of the changes proposed (including any clarificatory changes) are underlined in the investment policy below. The Board is of the opinion that the above change is the only material amendment to the Investment Policy.</p> <p>To the extent that the Company does not receive approval from its Shareholders, no material changes will be made to the current investment policy.</p> <p>The full text of the Company’s proposed new investment policy is set out below:</p> <p>Proposed investment objective</p> <p>The Company’s investment objective is to provide investors with regular, sustained, long term distributions and capital appreciation from a diversified portfolio of senior and subordinated economic infrastructure debt investments. This objective is subject to the Group having a sufficient level of investment capital from time to time and the ability of the Group to invest its cash in suitable investments and is subject to the Investment Criteria.</p> <p>Proposed asset allocation</p> <p>The Company’s objective is to maintain its portfolio so that not more than 10 per cent. by value of the Group’s investments (at the time of the investment) consists of securities or loans relating to any one individual infrastructure asset. In addition, the Company intends to invest directly or indirectly only in debt exposures that satisfy the following criteria, such investments to make up a minimum of 80 per cent. by value of the Group’s investments at the time of investment (“Investment Criteria”):</p> <ul style="list-style-type: none"> • where all or substantially all of the associated underlying revenues are from Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, New Zealand, Norway, Poland, Portugal, Spain, Sweden, Switzerland, the Netherlands, the UK or the U.S., provided that any such jurisdiction is rated |
|--|--|--|

| | | <p>(in respect of its local currency sovereign ceiling) at the time of investment at least BBB by S&P or Baa3 by Moody's (each, an "Eligible Jurisdiction");</p> <ul style="list-style-type: none"> where all or substantially all of the associated underlying revenues are from business activities in the sectors below. In addition to the sub sectors mentioned below, the Group may invest in other sub-sectors within the sectors listed where considered appropriate: <table border="0"> <thead> <tr> <th style="text-align: left;">Sector</th> <th style="text-align: left;">Example of typical sub-sectors</th> </tr> </thead> <tbody> <tr> <td>Transport</td> <td>(i) roads*; (ii) rail*; (iii) airports*; and (iv) ports*</td> </tr> <tr> <td>Transportation equipment</td> <td>(i) aircraft; (ii) rolling stock; and (iii) shipping</td> </tr> <tr> <td>Utilities</td> <td>(i) water and waste*; (ii) electricity distribution and transmission*; (iii) electricity supply; (iv) gas distribution and transmission*; (v) pipelines*; <i>and (vi) waste-to-energy</i></td> </tr> <tr> <td>Power</td> <td>(i) power purchase contracts; and (ii) electricity generation</td> </tr> <tr> <td>Renewable energy biomass</td> <td>(i) solar; (ii) wind; and (iii)</td> </tr> <tr> <td>Telecommunication, Media and Technology infrastructure</td> <td>(i) mobile phone towers; (ii) fixed line networks; (iii) data centres; and (iv) satellites</td> </tr> <tr> <td>Infrastructure accommodation</td> <td>(i) student accommodation; and (ii) elderly care facilities</td> </tr> </tbody> </table> <p><i>Note:</i> Each sub-sector marked with a "*" is a "Major Sub-Sector".</p> <ul style="list-style-type: none"> predominantly, but not exclusively, operational projects, since the Investment Adviser believes that once an infrastructure asset has been constructed and the contracted cashflows relating to the project have commenced, many of the risks associated with investments in such assets are significantly reduced; in excess of half of its <i>invested</i> portfolio once fully invested to be floating rate (including fixed rate instruments converted to floating rate cashflows through asset swaps) or inflation linked debt although investments will be a combination of floating rate, fixed rate and inflation linked instruments; and structured as loans, notes and bonds. | Sector | Example of typical sub-sectors | Transport | (i) roads*; (ii) rail*; (iii) airports*; and (iv) ports* | Transportation equipment | (i) aircraft; (ii) rolling stock; and (iii) shipping | Utilities | (i) water and waste*; (ii) electricity distribution and transmission*; (iii) electricity supply; (iv) gas distribution and transmission*; (v) pipelines*; <i>and (vi) waste-to-energy</i> | Power | (i) power purchase contracts; and (ii) electricity generation | Renewable energy biomass | (i) solar; (ii) wind; and (iii) | Telecommunication, Media and Technology infrastructure | (i) mobile phone towers; (ii) fixed line networks; (iii) data centres; and (iv) satellites | Infrastructure accommodation | (i) student accommodation; and (ii) elderly care facilities |
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| Sector | Example of typical sub-sectors | | | | | | | | | | | | | | | | | |
| Transport | (i) roads*; (ii) rail*; (iii) airports*; and (iv) ports* | | | | | | | | | | | | | | | | | |
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| Utilities | (i) water and waste*; (ii) electricity distribution and transmission*; (iii) electricity supply; (iv) gas distribution and transmission*; (v) pipelines*; <i>and (vi) waste-to-energy</i> | | | | | | | | | | | | | | | | | |
| Power | (i) power purchase contracts; and (ii) electricity generation | | | | | | | | | | | | | | | | | |
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| Infrastructure accommodation | (i) student accommodation; and (ii) elderly care facilities | | | | | | | | | | | | | | | | | |

| | | <p>Proposed risk diversification</p> <p>The following concentration limits on investments have been set by the Directors (the “Investment Concentration Limits”):</p> <table border="1"> <thead> <tr> <th data-bbox="639 331 767 405">Maximum individual exposure</th> <th data-bbox="794 277 938 405">Diversification by sector (e.g., transport, utility, renewable etc.)</th> <th data-bbox="946 304 1090 405">Diversification by sub-sector (e.g., road, airport etc.)</th> <th data-bbox="1098 353 1241 405">Jurisdictional diversification</th> <th data-bbox="1249 353 1393 405">Construction Risk</th> </tr> </thead> <tbody> <tr> <td data-bbox="639 416 767 517">No more than 10% <i>of total assets in any one exposure</i></td> <td data-bbox="794 416 938 539">No single sector will represent more than 40% of total assets</td> <td data-bbox="946 416 1090 730">No single sub-sector will represent more than 15% of total assets, other than for the Major Sub-Sectors which may represent up to 25% of total assets</td> <td data-bbox="1098 416 1241 786">No more than: <i>60% in the United States;</i> 50% in Western Europe (ex-UK); 40% in the UK; and 20% in Australia and New Zealand combined, <i>in each case, of total assets</i></td> <td data-bbox="1249 416 1393 707">Pre-operational projects (which are <i>projects in construction and not yet generating revenue</i>) will not represent more than 20% of the total assets</td> </tr> </tbody> </table> <p><i>Note:</i> All concentration limits are applicable at the time of investment.</p> <p>Proposed gearing and maximum exposures</p> <p>The Company may, from time to time, utilise borrowings for share buybacks and short term liquidity or short term investment purposes (including, securities lending or repurchase agreements), but such borrowings will not exceed 20 per cent. of the Company’s Net Asset Value.</p> | Maximum individual exposure | Diversification by sector (e.g., transport, utility, renewable etc.) | Diversification by sub-sector (e.g., road, airport etc.) | Jurisdictional diversification | Construction Risk | No more than 10% <i>of total assets in any one exposure</i> | No single sector will represent more than 40% of total assets | No single sub-sector will represent more than 15% of total assets, other than for the Major Sub-Sectors which may represent up to 25% of total assets | No more than: <i>60% in the United States;</i> 50% in Western Europe (ex-UK); 40% in the UK; and 20% in Australia and New Zealand combined, <i>in each case, of total assets</i> | Pre-operational projects (which are <i>projects in construction and not yet generating revenue</i>) will not represent more than 20% of the total assets |
|---|--|---|--|---|--|--------------------------------|-------------------|---|---|---|--|---|
| Maximum individual exposure | Diversification by sector (e.g., transport, utility, renewable etc.) | Diversification by sub-sector (e.g., road, airport etc.) | Jurisdictional diversification | Construction Risk | | | | | | | | |
| No more than 10% <i>of total assets in any one exposure</i> | No single sector will represent more than 40% of total assets | No single sub-sector will represent more than 15% of total assets, other than for the Major Sub-Sectors which may represent up to 25% of total assets | No more than: <i>60% in the United States;</i> 50% in Western Europe (ex-UK); 40% in the UK; and 20% in Australia and New Zealand combined, <i>in each case, of total assets</i> | Pre-operational projects (which are <i>projects in construction and not yet generating revenue</i>) will not represent more than 20% of the total assets | | | | | | | | |
| B.35 | Borrowing and/or leverage limits | <p>The Company may, from time to time, utilise borrowings for share buybacks and short term liquidity or short term investment purposes (including borrowings through the use of repurchase and/or securities lending agreements), but such borrowings will not exceed 20 per cent. of the value of the assets of the Company less its liabilities (“Net Asset Value”).</p> <p>On 17 October 2016, the Company (as borrower) and JP Morgan Chase Bank, N.A., London Branch (“JP Morgan”) (as lender) entered into a loan facility agreement, pursuant to which JP Morgan agreed to make available to the Company a £40,000,000 term loan facility for a term of 18 months. This facility remains fully drawn down by the Company.</p> | | | | | | | | | | |
| B.36 | Regulatory status of the Group | <p>The principal legislation under which the Company operates is the Guernsey Companies Law.</p> <p>The Company is a non-cellular company limited by shares incorporated in Guernsey and has been registered by the Guernsey Financial Services Commission (the “GFSC”) as a registered closed-ended collective investment scheme. The Company is not regulated by any other regulator.</p> <p>The principal legislation under which the Subsidiary operates is the Luxembourg Securitisation Law of 2004. The Subsidiary is a Luxembourg securitisation company incorporated on 12 December 2011 with company registration number B165989.</p> | | | | | | | | | | |

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| | | <p>The Company has been advised that the Ordinary Shares can be considered as “excluded securities” for the purposes of the FCA rules regarding the definition and promotion of non-mainstream pooled investments (“NMPIs”) because the Company would qualify for approval as an investment trust if it were based in the United Kingdom. As such, the Directors believe that the Ordinary Shares will be excluded securities under the FCA’s rules on NMPIs and are therefore excluded from the FCA’s restrictions which apply to NMPIs.</p> <p>It is the intention of the Company to meet the required criteria and accordingly it will seek to distribute at least 85 per cent. of its income.</p> |
| B.37 | Profile of typical investors | Typical investors in the Company are expected to be institutional and sophisticated investors and private clients through their wealth managers. |
| B.38 | Investment in excess of 20 per cent. of the Company’s gross assets in another collective investment undertaking | <p>Not applicable. The Group is not permitted to invest more than 10 per cent. of its total assets in a single underlying asset or issuer.</p> <p>The Company’s policy is not to invest any of its assets into equity products, including other listed closed-ended investment funds. As such, the Company considers its shares to be eligible investments, under the FCA’s Listing Rule 15.4.5, for other listed closed-ended investment funds.</p> |
| B.39 | Investment in excess of 40 per cent. of the Company’s gross assets in another collective investment undertaking | Not applicable. The Group is not permitted to invest more than 10 per cent. of its total assets in a single underlying asset or issuer. |
| B.40 | The Investment Manager and the Company’s other service providers | <p>International Fund Management Limited (the “Investment Manager”) is the investment manager of the Company. The Investment Manager provides investment management services to the Company in accordance with the terms of an investment management agreement with the Company, as amended on 6 October 2015 and 6 December 2016 (the “Investment Management Agreement”).</p> <p>Under the terms of the Investment Management Agreement, the Investment Manager is entitled to receive an annual management fee for the Alternative Investment Fund Manager (“AIFM”) services which shall be calculated and accrue monthly at a rate equivalent to: (a) where the Net Asset Value is less than or equal to £200 million, 0.075 per cent. of the Net Asset Value per annum thereafter; plus (b) where the Net Asset Value is more than £200 million but less than or equal to £400 million, 0.05 per cent. of the Net Asset Value per annum over £200 million; plus (c) where the Net Asset Value is more than £400 million but less than or equal to £500 million, 0.04 per cent. of the Net Asset Value per annum over £400 million; and (d) where the Net Asset Value is more than £500 million, 0.015 per cent. of the Net Asset Value per annum over £500 million. The management fee is capped at £320,000 and may be varied by agreement between the parties,</p> |

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| | | <p>and will be subject to a minimum annual fee of £80,000 applied on a monthly basis. If there is any VAT payable on the fees then this shall be added to the fee amount. The minimum investment management fee will be subject to an annual review on 1 May of each year, the first review having occurred in 2016. The investment management fees are payable monthly in arrears.</p> <p>Praxis Fund Services Limited (the “Administrator”) has been appointed by the Company to provide ongoing administrative accounting and compliance services to the Company in accordance with the terms of an administration agreement with the Company, as amended on 2 September 2015, 5 May 2016 and 6 December 2016 (the “Administration Agreement”). Under the terms of the Administration Agreement, the Administrator will receive a sliding annual fee which is charged at: (a) where the Net Asset Value is less than or equal to £300 million, 0.07 per cent. of the Net Asset Value per annum thereafter; plus (b) where the Net Asset Value is more than £300 million but less than or equal to £400 million, 0.05 per cent. of the Net Asset Value per annum over £300 million; and (c) where the Net Asset Value is more than £400 million, 0.04 per cent. of the Net Asset Value per annum over £400 million. The administration fee is capped at £300,000 per annum, may be varied by agreement between the parties and will be subject to a minimum annual fee of £65,000 and a fee for company secretarial services based on time costs.</p> <p>Under the terms of an investment advisory agreement, as amended on 6 October 2015 and 5 May 2016 (the “Investment Advisory Agreement”), the Investment Manager has appointed Sequoia Investment Management Company (“Investment Adviser”) as its investment adviser. The Investment Manager will delegate portfolio management functions to the Investment Adviser under the terms of the Investment Advisory Agreement but will remain responsible for general oversight and management of the Investment Adviser’s activities and for risk management.</p> <p>Under the Investment Advisory Agreement, the Investment Adviser is entitled to receive from the Company a base fee of (a) 0.5 per cent. per annum of the value of listed debt securities owned by the Group; plus (b) other than cash holdings, in relation to which no fees are payable to the Investment Adviser and bonds, where Group NAV (excluding cash) is (i) less than £250 million, 0.9 per cent. per annum of the value of the Group’s other investments; (ii) between £250 million and £500 million, as in (b)(i) plus 0.8 per cent. on the total value of assets not included in (b)(i); (iii) between £500 million and £750 million, as in (b)(ii) plus 0.7 per cent. on the total value of assets not included in (b)(ii); and (iv) in excess of £750 million, as in (b)(iii) plus 0.6 per cent. on the total value of assets not included in (b)(iii), in each case, payable quarterly. One quarter of the Investment Adviser’s fee will be applied in subscribing for Ordinary Shares. Effective from admission of the Ordinary Shares to the Official List and to trading on the Main Market of the London Stock Exchange (“Admission”), one quarter of the Investment Adviser’s fee relating to the Ordinary Shares will be applied in subscribing for further Ordinary Shares, with the cost of issuing such Ordinary</p> |
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| | <p>Shares to be borne by the Company. All such Ordinary Shares subscribed by the Investment Adviser will be subject to a three-year rolling lock-up.</p> <p>Computershare Investor Services (Guernsey) Limited (the “Registrar”) is the registrar of the Company and is party to a share registration services agreement with the Company (the “Share Registration Services Agreement”). Under the Share Registration Services Agreement, the Registrar is entitled to receive a minimum agreed fee of £6,000 per annum in respect of basic registration, together with any additional registrar activity not included in such basic registration services.</p> <p>Computershare Investor Services PLC (the “Receiving Agent”) has been appointed receiving agent of the Company pursuant to a receiving agent agreement with the Company (“Receiving Agent Agreement”). Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to fees including, in connection with the Offer for Subscription: (a) a set up management fee of £6,000; (b) processing fees per item processed per application form; and (c) various other fees in relation to certain matters, capped at £20,000.</p> <p>Bank of New York Mellon, London Branch has been appointed as account bank, custodian (the “Custodian” and “Account Bank”), and Bank of New York Mellon SA/NV has been appointed as portfolio administrator (“Portfolio Administrator”), to provide administrative, custody and account bank services to the Subsidiary in accordance with the terms of the portfolio administration and agency agreement. The Custodian, Account Bank and Portfolio Administrator will receive ad valorem fees of (i) 2.50 bps per sub fund per annum where there are portfolio assets of £0 to £300 million; (ii) 2.00 bps per sub fund per annum where there are portfolio assets of £300 million to £600 million; (iii) 1.75 bps per sub fund per annum where there are portfolio assets of £600 million to £900 million; and (iv) 1.50 bps per sub fund per annum where there are portfolio assets over £900 million. The annual fee, based on a £800 million aggregated par value of assets is expected to be approximately £170,000 for services provided relating to portfolio administration and cash management. This fee will be calculated and billed quarterly in arrears on the aggregated par value of assets under administration and is subject to a minimum of GBP 30,000 per annum.</p> <p>Stifel has been appointed as retained broker to the Company. Under the terms of the engagement, Stifel will receive an annual fee of £75,000 where the market capitalisation of the Company is greater than £200 million. The Company and Stifel have agreed that, where Stifel acts as sole bookrunner to the Company, the annual fee will be reimbursed on a pound for pound basis by any commission paid by the Company in connection with an equity capital raise above £20 million (save that any reimbursement will be capped at the total annual fee amount).</p> <p>Bank of New York Mellon SA/NV acting through its German branch (“Depository”) has been appointed as depository to the Company to provide certain depository services (being services</p> |
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| | | <p>which are subject to the lighter depositary requirements under Article 36 of the Alternative Investment Fund Managers Directive 2011/61/EU as implemented in the UK (“AIFMD”), in accordance with the terms of the depositary agreement. In consideration for the provision of such depositary services, the Depositary will receive as follows: (i) <i>ad valorem</i> fees of : (a) 3.00 bps per sub fund per annum where there are portfolio assets of €0 up to €300 million; (b) 2.00 bps per sub fund per annum where there are portfolio assets of €300 million to €600 million; (c) 1.75 bps per sub fund per annum where there are portfolio assets of €600 million to €900 million; and (d) 1.50 bps per sub fund per annum where there are portfolio assets over €900 million (in each case subject to a minimum fee of €52,000 to be calculated and invoiced quarterly); (ii) legal fees of €13,000; and (iii) a set up fee of €13,000. The annual fee, based on portfolio assets of £800 million is expected to be approximately £174,000 for services relating to depositary services.</p> |
| B.41 | <p>Identity and regulatory status of the Investment Manager, and the Investment Adviser and the Custodian</p> | <p>The Investment Manager is licensed by the Guernsey Financial Services Commission under the provisions of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended to conduct certain restricted activities in relation to collective investment schemes. The Investment Adviser understands that the Company is an alternative investment fund (within the meaning of the AIFMD). The Investment Manager acts as the alternative investment fund manager (within the meaning of AIFMD) of the Company. The Investment Adviser is authorised and regulated in the UK by the FCA.</p> <p>The Bank of New York Mellon London Branch is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. The reference number on the Financial Services Register is 122467.</p> |
| B.42 | <p>Valuation and publication of the Company’s net asset value</p> | <p>PwC, in its capacity as the independent valuation agent (the “Valuation Agent”), is responsible for performing a valuation review of the fair market value pricing of the Company’s investments on a monthly basis.³ The Valuation Agent was appointed by the Company pursuant to an engagement letter dated 18 April 2017. The Net Asset Value of the Company and of the Ordinary Shares is calculated monthly by the Administrator. The monthly Net Asset Value of the Ordinary Shares will be announced through a regulatory information service and published on the Company’s website. The Valuation Agent will be paid fees as follows (i) an initial one-time set up cost of £75,000 in relation to the private in-scope instruments and associated valuation analysis; (ii) monthly fees as follows: (a) a one-off fee of £10,000 per valuation analysis of each new private in-scope instrument as and when purchased; and (b) for each private in-scope instrument a monthly fee of £1,100 will be charged. The annual fee, based on 17 in scope assets is expected to be £224,400 for independent valuation services.</p> |

³ Mazars LLP has been the Company’s valuation agent since IPO. The Company is in the process of changing its valuation agent and PwC has been appointed valuation agent with effect from 1 May 2017.

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| B.43 | Cross liability | Not applicable. |
| B.44 | Statement confirming no financial statements are in existence | Not applicable. |
| B.45 | Description of the portfolio | <p>As at 11 April 2017, the Group’s existing portfolio consists of 44 loans and bonds. The Group has invested approximately 96 per cent. of the Net Asset Value (excluding any unsettled trades).⁴ The latest unaudited Adjusted NAV of the Company, as at 11 April 2017 is 101.36 pence per Ordinary Share which represents £612.7 million (including accrued interest of £7.2 million). Since 11 April 2017, the Company has purchased assets with a total purchase price of approximately £6.2 million (including unsettled trades).</p> <p>The portfolio of loans and bonds is diversified by country, region, sector and subsector, with the largest individual investment representing 6.1 per cent. of the Net Asset Value at as 11 April 2017.</p> |
| B.46 | Net asset value per Share | As at 11 April 2017, the unaudited Adjusted Net Asset Value per Ordinary Share was 101.36 pence. |

Section C – Securities

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| C.1 | Type and class of securities being offered and admitted to trading and identification number | <p>The Ordinary Shares, which are being offered pursuant to an open offer, placing and offer for subscription (the “Issue”), are shares of no par value in the capital of the Company issued and designated as “Ordinary Shares”.</p> <p>The Company is targeting a fundraising of approximately £125 million (before expenses) pursuant to the Issue. The Issue will not be underwritten. The Directors may, at their discretion, issue up to a maximum number of 151,658,768 Ordinary Shares pursuant to the Issue if the Directors, in consultation with the Investment Adviser and Stifel, believe that appropriate opportunities exist for the deployment of additional Issue proceeds in accordance with the Company’s investment objectives and policy. The actual number of Ordinary Shares to be issued pursuant to the Issue will be notified by the Company via a Regulatory Information Service (“RIS”) announcement prior to Admission.</p> <p>Shareholders will have the rights attaching to the Ordinary Shares and will rank <i>pari passu</i> with the outstanding Ordinary Shares in issue.</p> <p>For the avoidance of doubt, the new Ordinary Shares issued pursuant to the Issue will not be entitled to the interim dividend for the period ended 31 March 2017, declared on 20 April 2017 and expected to be paid on 24 May 2017. Subscribers for the new Ordinary Shares under the Issue will however be entitled to any dividend in respect of the period ended 30 June 2017, which is expected to be declared in July 2017.</p> |
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⁴ Percentages calculated by dividing the value of the invested assets by the NAV as at 11 April 2017.

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| | | <p>Application will be made for Admission. It is expected that Admission will occur, and that dealings in the Ordinary Shares will commence, at 8.00 a.m. on or around 31 May 2017.</p> <p>The Company also intends to put in place a placing programme with the flexibility to issue up to 200 million new Ordinary Shares of no par value (“Placing Programme Shares”) at an issue price calculated by reference to the Net Asset Value per Ordinary Share at the time of allotment together with a premium intended to cover at a minimum the costs and expenses of the relevant placing of Ordinary Shares (including, without limitation, any placing commissions) (“Placing Programme”).</p> <p>To the extent that an issue of shares under the Placing Programme is undertaken, application will be made from time to time for the Placing Programme Shares to be admitted to the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange (each a “Placing Programme Admission”). It is expected that Placing Programme Admissions will occur, and that dealings in the Placing Programme Shares will commence, not later than one year after the date of publication of this Prospectus.</p> <p>The ISIN for the Ordinary Shares (which includes the Placing Programme Shares) is GG00BV54HY67 and the SEDOL is BV54HY6. The ISIN of the Basic Entitlements is GG00BDHYT202 and the SEDOL is BDHYT20. The ISIN of the Excess CREST Open Offer Entitlement is GG00BDHYT319 and the SEDOL is BDHYT31.</p> <p>The ticker for the Ordinary Shares is SEQL.</p> |
| C.2a | Currency denomination of Ordinary Shares | The Ordinary Shares will be denominated in the lawful currency of the United Kingdom. |
| C.3 | Details of share capital | As at 2 May 2017 (being the latest practicable date prior the publication of this Prospectus) the share capital of the Company was made up of 595,860,693 Ordinary Shares. There are no non-paid up Ordinary Shares in issue. The Ordinary Shares have no par value. |
| C.4 | Rights attaching to the Ordinary Shares | <p>The holders of the Ordinary Shares shall only be entitled to receive, and to participate in, any dividends declared in relation to the Shares that they hold.</p> <p><i>Dividends and other distributions</i></p> <p>Ordinary Shareholders are entitled to participate in any dividends and other distributions of the Company other than in relation to assets attributable to any C Shares in issue.</p> <p><i>Voting Rights</i></p> <p>The Ordinary Shares shall carry the right to receive notice of, attend and vote at general meetings of the Company.</p> |

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| | | <p><i>Return of Capital</i></p> <p>Holders of Ordinary Shares will be entitled to participate in a winding-up of the Company or a return of capital (other than by way of purchase of own shares by the Company) in relation to the surplus assets attributable to the Ordinary Shares.</p> <p><i>Pre-emption rights</i></p> <p>The Articles provide that the Company is not permitted to allot (for cash) “equity securities” (which include the allotment and issue of Ordinary Shares or C Shares or rights to subscribe for, or convert securities into, Ordinary Shares or C Shares) or sell (for cash) any such equity securities held in treasury, without first offering to allot such shares to existing holders (within the same class) on a <i>pro rata</i> basis. These pre-emption rights may be excluded and disapplied or modified by special resolution of the holders of Ordinary Shares.</p> <p>These pre-emption rights have been disapplied up to an aggregate amount not exceeding 10 per cent. of the Ordinary Shares from time to time in issue until the conclusion of the next annual general meeting of the Company in 2017.</p> |
| C.5 | <p>Restrictions on the transferability of Ordinary Shares</p> | <p>The Directors may only decline to register a transfer of an uncertificated Ordinary Share in the circumstances set out in the regulations applicable to Euroclear and/or the CREST relevant system from time to time in force or such as may otherwise from time to time be adopted by the Directors on behalf of the Company or the rules of any relevant system, where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated Ordinary Share is to be transferred exceeds four.</p> <p>In addition, the Directors may decline to transfer, convert or register a transfer of any Ordinary Share in certificated form or (to the extent permitted by such rules and requirements of Euroclear UK and Ireland Limited as may be applicable to issuers as from time to time specified in the CREST Reference Manual, the CREST Central Counterparty Duty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and CREST Glossary of Terms) (“Regulations”) uncertificated form: (a) if it is in favour of more than four joint transferees; (b) if applicable, if it is delivered for registration to the registered office of the Company or such other place as the Directors may decide, not accompanied by the certificate for the Ordinary Shares to which it relates or such other evidence of title as the Directors may reasonably require; or (c) the transfer is in favour of any Non-Qualified Holder.</p> <p>For these purposes a “Non Qualified Holder” means any person: (a) whose ownership of Ordinary Shares may cause the Company’s assets to be deemed “plan assets” for the purposes of the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder or the U.S. Internal Revenue Code of 1986, as amended; (b) whose ownership of the Ordinary Shares may cause the Company to be required to register as an “investment company” under the U.S. Investment Company Act (including</p> |

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| | | because the holder of the Ordinary Shares is not a “qualified purchaser” as defined in the U.S. Investment Company Act); (c) whose ownership of Ordinary Shares may cause the Company to be required to register under the U.S. Exchange Act or any similar legislation; (d) whose ownership of Ordinary Shares may result in the Company not being considered a “Foreign Private Issuer” as such term is defined in rule 3b 4(c) under the U.S. Exchange Act; (e) whose ownership may result in a person holding Ordinary Shares in violation of the transfer restrictions put forth in any offering memorandum or prospectus published by the Company, from time to time. | | | | | | | | | | | | | | | | | | | | | | | | |
| C.6 | Application for admission to trading on a regulated market | <p>Application will be made for the Ordinary Shares to be admitted to the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange.</p> <p>Application will be made for the Placing Programme Shares issued pursuant to the Placing Programme to be admitted to the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| C.7 | Dividend policy | <p>Subject to sufficient cash being available for distribution and taking into account the working capital and liquidity requirements of the Group, the Company currently intends to target an ongoing quarterly dividend for Ordinary Shareholders of 1.5 pence per Ordinary Share.</p> <p>In addition, the Company will target a long-term growth in its Net Asset Value of between one per cent. and two per cent. per annum.</p> <p>Since incorporation the Company has paid an aggregate of 9.5 pence per Ordinary Share in dividends, a summary of which can be found in the table below. The Company intends to pay dividends in relation to the Ordinary Shares on a quarterly basis.</p> <p>The next expected dividend will be in respect of the period ended 30 June 2017, to be declared in July 2017.</p> <p>Dividend (pence per Ordinary Share) Declaration Date Payment Date</p> <table border="1"> <tr> <td>1.0</td> <td>15 July 2015</td> <td>14 August 2015</td> </tr> <tr> <td>1.0</td> <td>4 November 2015</td> <td>30 November 2015</td> </tr> <tr> <td>1.5</td> <td>21 January 2016</td> <td>29 February 2016</td> </tr> <tr> <td>1.5</td> <td>20 April 2016</td> <td>25 May 2016</td> </tr> <tr> <td>1.5</td> <td>19 July 2016</td> <td>26 August 2016</td> </tr> <tr> <td>1.5</td> <td>18 October 2016</td> <td>25 November 2016</td> </tr> <tr> <td>1.5</td> <td>18 January 2017</td> <td>24 February 2017</td> </tr> <tr> <td>1.5</td> <td>20 April 2017</td> <td>24 May 2017</td> </tr> </table> | 1.0 | 15 July 2015 | 14 August 2015 | 1.0 | 4 November 2015 | 30 November 2015 | 1.5 | 21 January 2016 | 29 February 2016 | 1.5 | 20 April 2016 | 25 May 2016 | 1.5 | 19 July 2016 | 26 August 2016 | 1.5 | 18 October 2016 | 25 November 2016 | 1.5 | 18 January 2017 | 24 February 2017 | 1.5 | 20 April 2017 | 24 May 2017 |
| 1.0 | 15 July 2015 | 14 August 2015 | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.0 | 4 November 2015 | 30 November 2015 | | | | | | | | | | | | | | | | | | | | | | | | |
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Section D – Risks

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| D.1 | Key information on the key risks that are specific to the Company or its industry | <p>The key risk factors relating to the Company or its industry are:</p> <ul style="list-style-type: none"> The availability of investments in assets of the type that the Group intends to invest in is not guaranteed. The investments that the Group have identified have not been fully analysed by the Investment Adviser, the Investment |
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| | | <p>Manager or the Board, and there can be no guarantee that the Group will ultimately pursue all, or any, of the potential investments. In the case of secondary market loan or bond acquisitions, there can be no assurance that any of these investments will remain available for purchase after the Issue in a timely fashion, or at all or, if available, at what price the investments can be acquired by the Group. In the case of primary market loan opportunities, there can be no assurance that the Company will be successful in making the loan or that the terms of the loan will remain as currently expected. In particular, while the Group has identified investments to which the Net Issue Proceeds will be applied, no legally binding documentation has been entered into for the acquisition of these investments. Where availability of appropriate assets is lower than expected, the Group will likely take longer to identify appropriate assets. During this time, a greater proportion of the Company's assets will be held in cash, which will generate a lower return for shareholders than currently envisaged. In particular, while the Group has identified investments to which the Net Issue Proceeds will be applied, no legally binding documentation has been entered into for the acquisition of these investments and there is no guarantee that these investments will be available for purchase after the Issue on acceptable terms or at all. There can be no certainty to the timeframe in which the Investment Adviser would make any such investments.</p> <ul style="list-style-type: none"> • Borrowers in respect of loans or bonds in which the Group has invested and/or counterparties of the Group under hedge transactions may default on their obligations. Such default may adversely affect the income received by the Company and the value of the Company's assets and principal repayments due to be received. • The Group may be unable to realise value from its investments in the event of insolvency of a borrower. The applicable insolvency regimes in force may also adversely affect the Group's ability to recover value and/or cause delays to any recovery. • The investment strategy employed by the Group involves substantial risk of loss in the event of a failure or deterioration in the infrastructure debt sector. • The value of investments intended to be made by the Group will change from time to time dependent on factors outside the control of the Group. • Valuations of the Group's assets will be estimates, and not a precise measure of the realisable value of the relevant assets. • Infrastructure debt investments in loan form are not likely to be publicly traded or freely marketable, whilst those in bond form may have limited or no secondary market liquidity. They may therefore be difficult to value or sell. |
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| | | <ul style="list-style-type: none"> • The Group will not have control over decisions taken by borrowers. Borrowers could therefore make decisions that are not in the best interests of the Group. Where the Group invests in a loan or bond, it may only hold a small percentage of the loans or bonds and therefore may not have the ability to block certain decisions made collectively by the lending group. This may result in the lending group making decisions that are not in the best interests of the Group. • There is no assurance that an investment’s actual cashflow will equal or exceed those predicted by the Group or that the targeted return on the investments by the Group will be achieved. • Changes to interest rates may affect the value or profitability of the assets of the Group. Interest rates are highly sensitive to many factors outside the Group’s control. • Changes to currency exchange rates may affect the Net Asset Value of the Company, which is denominated in Sterling, as investments are intended to be made across a range of currencies. It is also possible that the Group may be required to post collateral with hedging counterparties in order to enter into hedging contracts which may result in cash drag or investments being sold in order to finance such collateral deposits, this may have an adverse effect on the returns made by the Group on investments. • Changes to laws and regulations which are applicable to the Group could have a material adverse effect on the investments of the Company and the results of its operations. The precise nature of all of the risks and uncertainties that the Group may face in the case of a change of law or regulation cannot be predicted and are outside of the Group’s control, and further, the political and economic uncertainty which results from any actual or proposed change of applicable laws or regulations could adversely affect the operations and results of the Group. • On 23 June 2016, UK citizens voted in favour of the UK leaving the EU (“Brexit”). The UK served notice of its departure to the EU on 29 March 2017, thereby initiating the two year formal process for negotiating the UK’s exit from the EU with other EU member states. The implications of this decision are not known as at the date of this document. The uncertainty caused by the ongoing negotiation and potential outcome may lead to heightened levels of market volatility both in the UK and globally. • It is possible that, following the Brexit vote and following a formal request from the Scottish government to do so, Scotland may hold a second referendum to vote on becoming independent from the remainder of the United Kingdom. This could lead to further uncertainty and market volatility. |
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| | | <ul style="list-style-type: none"> • On 18 April 2017, the UK Prime Minister announced that she would seek a snap general election on 8 June 2017. The uncertainty caused by the unexpected announcement of the general election, and the potential outcome, could lead to market volatility in the UK. • The Organisation for Economic Co-operation and Development (“OECD”) published its Action Plan on Base Erosion and Profit Shifting (“BEPS”) in 2013 and its final reports in 2015. The BEPS is expected to generate changes to tax policy and systems in numerous jurisdictions. Whilst some jurisdictions have already taken steps to implement some of the actions, it is not yet known when all the actions will be implemented and which countries will implement them. Depending on how BEPS is introduced, any changes to tax laws based on recommendations made by the OECD in relation to BEPS may result in additional reporting and disclosure obligations for investors and/or additional tax being suffered by the Borrowers and/or Group which may adversely affect the creditworthiness of the Borrowers, the value of the investments held by the Group and/or the market price of the Ordinary Shares. • The Company may utilise borrowings for investment purposes, short term liquidity or other purposes, subject to a maximum permitted leverage of 20 per cent. of the Company’s NAV. As at 2 May 2017, the Company had gross leverage of £40 million which represents approximately 6.5 per cent. of NAV. Entry into leverage agreements may involve granting of security by the Company over its portfolio. Since the Shares are equity instruments, on any insolvency of the Company, Shareholders could rank behind the Company’s financing counterparties, whose claims will be considered as indebtedness of the Company and may be secured. The Company may also be required to provide cash margin to a lender based on market movements in the value of its portfolio and this may reduce funds available to the Company for distribution. In addition, the Company’s financings may be relatively short-term, whereas the Investments of the Company are medium to long-term. To the extent that refinancing facilities are not available at economic rates or at all, the Company may be required to sell assets at disadvantageous prices, which could have an adverse effect on the Company’s NAV and/or the market price of the Ordinary Shares. |
| D.2 | <p>Key information on the key risks that are specific to the Company</p> | <p>The key risk factors relating to the Company are:</p> <ul style="list-style-type: none"> • The Company was formed on 30 December 2014 and has a limited operating history. As such, investors have a limited basis on which to evaluate the Company’s ability to achieve its investment objectives. The Company will be a speculative investment, of a long-term nature, and will involve a high degree of risk. Ordinary Shareholders could |

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| | | <p>lose all or a substantial portion of their investment in the Company.</p> <ul style="list-style-type: none"> • The Company’s target return and target dividend yield are targets only and based on estimates and assumptions which are subject to numerous inherently unpredictable factors beyond the control of the Company. The actual return and dividend yield may therefore be materially lower than the targets set out in this Prospectus or may result in a loss. A slower deployment of proceeds than expected will negatively affect the Company’s targets. • This is the first listed fund that the Investment Adviser has advised. Other than in relation to the Company, the Investment Adviser has no performance history relating to a listed economic infrastructure debt fund for an investor to consider. • The ability of the Group to achieve its investment objectives significantly depends on the expertise of key personnel at the Investment Adviser and the ability of the Investment Adviser to retain or replace these personnel. • Changes to the law and practice and accountancy regulations and practice in Guernsey could reduce the post-tax returns to Ordinary Shareholders. Changes to the treatment of tax residence of the Company could affect the performance of the Company and returns to Ordinary Shareholders. |
| D.3 | <p>Key information on the key risks that are specific to the Ordinary Shares</p> | <p>The key risk factors relating to the Ordinary Shares are:</p> <ul style="list-style-type: none"> • An active and liquid trading market for the Ordinary Shares may not be maintained. • The market price of the Ordinary Shares may fluctuate significantly and investors may not be able to sell their Ordinary Shares at or above the price at which they purchased them, meaning that they could lose all or part of their investment. • Should market conditions change, if there is a deterioration in the Investment Adviser’s pipeline or if the Investment Adviser is unable to deploy proceeds into suitable opportunities, Ordinary Shareholders may experience “cash drag” which may impact the Company’s ongoing dividend target. • The Ordinary Shares could trade at a discount to their Net Asset Value per share. There is no guarantee that any attempts by the Company to mitigate such a discount will be successful, nor that the use of discount control mechanisms will be possible or advisable. • No Shareholder has the right, option or entitlement to have their Shares repurchased or redeemed. The Discretionary Tender facility is entirely discretionary and, along with any other <i>ad hoc</i> purchases of Shares, requires prior |

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| | | Shareholder approval. Where this is not available, an investor will have to sell their Shares on the open market and would therefore be dependent on the existence of a liquid market to realise their investment. |
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| Section E – Issue | | |
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| E.1 | The total net proceeds and an estimate of the total expenses of the issue/offer, including estimated expenses charged to the investor by the issuer or the offeror | <p>On the basis that 119,172,138 Ordinary Shares are issued pursuant to the Issue, the net cash proceeds of the Issue (after deduction of all expenses and commissions relating to the Issue and payable by the Company) (“Net Issue Proceeds”) are expected to be not less than £123.5 million.</p> <p>The initial expenses of the Company are those which are necessary for the Issue. The costs of the Issue borne by the Company are expected to be in the range of 1.6 per cent. to two per cent. but will not exceed two per cent. of the aggregate value of the Ordinary Shares issued under the Issue at the Issue Price (“Gross Issue Proceeds”).</p> <p>These expenses will be paid on or around Admission (unless stated otherwise) and will include fees payable under the Issue Agreement dated 3 May 2017 (“Issue Agreement”), the fees and expenses of any sub-placing agents, registration, listing and admission fees, settlement arrangements, printing, advertising and distribution costs, legal fees and any other application expenses. All such expenses will be netted against the share capital raised.</p> <p>The maximum aggregate number of Placing Programme Shares that may be made available under the Placing Programme is 200 million. The net proceeds of the Placing Programme are dependent on the number of Placing Programme Shares issued pursuant to the Placing Programme.</p> <p>On the assumption that the Company issues the maximum number of Placing Programme Shares available for issue under the Placing Programme at an average Placing Programme price, for illustrative purposes only, of 105.5 pence per Ordinary Share, the gross proceeds from the Placing Programme will be approximately £211 million and the expenses payable by the Company in relation to the Placing Programme including the costs of establishment and publication of the documentation of the Placing Programme, fees for commissions and registration and Placing Programme Admission fees are estimated at approximately £2.8 million, resulting in net proceeds of approximately £208.2 million. The initial expenses payable by the Company in relation to the Placing Programme (other than the Placing Programme issuance commission, LSE admission fees and <i>ad hoc</i> expenses) will be borne by the Ordinary Shareholders. The Placing Programme Shares will be issued at a premium to NAV and the fees and expenses in relation to the Placing Programme will effectively be borne by subscribers for the Placing Programme issued pursuant to the Placing Programme.</p> |
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| E.2a | Reasons for the offer and use of proceeds | <p>The Investment Adviser continues to see significant opportunities in the infrastructure debt market and believes that it would be in the interests of the Company to raise further funds through a share issuance to take advantage of these opportunities. The Board believes that the current opportunities available to the Investment Adviser will enable it to further diversify the Group’s existing portfolio and spread the fixed costs of running the Company across a wider base. The Directors further believe that growing the size of the Company would increase secondary market liquidity for investors.</p> <p>The Company will invest the net proceeds of the Issue and the Placing Programme in accordance with the Company’s investment policy.</p> <p>To the extent that the Company raises an amount that is materially in excess of the target amount, the Board may consider if it is in the interest of Shareholders to pay down the outstanding debt under the loan facility agreement between the Company (as borrower) and JP Morgan Chase Bank, N.A., London Branch (as lender) dated 17 October 2016.</p> |
| E.3 | Terms and conditions of the Issue and Placing Programme | <p>Under the open offer, up to 119,172,138 Ordinary Shares will be made available to holders of Ordinary Shares on the register of members of the Company as at 6.00 p.m. on 2 May 2017 with the exclusion of (subject to certain exceptions) Shareholders who have a registered address in, who are incorporated in, registered in or otherwise resident or located in Canada, Japan, Australia, New Zealand, the Republic of South Africa and the U.S. and any jurisdiction where the extension or availability of the Issue (and any other transaction contemplated thereby) would breach any applicable laws or regulations (“Eligible Shareholders”), at an issue price of 105.5 pence per Ordinary Share <i>pro rata</i> to their holdings of Ordinary Shares on the basis of 1 Ordinary Share for every 5 Ordinary Shares held at the record date (being 6.00 p.m. on 2 May 2017) (the “Open Offer”).</p> <p>Eligible Shareholders who take up all of their entitlements under the Open Offer may also apply for additional Ordinary Shares under an excess application facility (“Excess Application Facility”). The Directors may also (at their sole discretion) make additional Ordinary Shares available under the Excess Application Facility by re-allocating Ordinary Shares from the placing (“Ordinary Share Placing”) and offer for subscription of Ordinary Shares (“Offer for Subscription”) in favour of the Excess Application Facility.</p> <p>Applications for additional Ordinary Shares under the Excess Application Facility will be allocated in such a manner as the Directors (in their absolute discretion and following consultation with Stifel) determine. The Open Offer is not a rights issue and Open Offer application forms cannot be traded.</p> <p>To the extent that Eligible Shareholders do not take up their entitlements under the Open Offer and such entitlements are not taken up under the Excess Application Facility, the Directors may (at their sole discretion), re-allocate Ordinary Shares from the</p> |

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| | <p>Open Offer and Excess Application Facility to the Ordinary Share Placing and Offer for Subscription.</p> <p>Pursuant to the Ordinary Share Placing and Offer for Subscription, Ordinary Shares will be issued at a price of 105.5 pence per Ordinary Share.</p> <p>The latest time and date for receipt by the Company of application and payment in full in respect of the Open Offer will be 11.00 a.m. on 24 May 2017.</p> <p>The latest time and date for receipt by the Company of applications and payment in full in respect of the Offer for Subscription will be 3.00 p.m. on 24 May 2017.</p> <p>The latest time and date for receipt by the Company of placing commitments under the Ordinary Share Placing will 12.00 p.m. (noon) on 25 May 2017.</p> <p>At the extraordinary general meeting of the Company to be held on 19 May 2017 (the “EGM”) will seek from Shareholders the approvals necessary for the Issue and the Placing Programme to proceed, including (<i>inter alia</i>) resolutions to:</p> <ul style="list-style-type: none"> • approve the issue of any new Ordinary Shares to SEB Pensionsforsikring A/S and/or any of its Associates (as defined in the Listing Rules) (the “Related Party”) if it wishes to participate in the Ordinary Share Placing and/or Offer for Subscription (“Resolution 1”); • approve certain related party transaction/s which may arise with respect to the Related Party if it wishes to participate in the Placing Programme (“Resolution 2”); • approve the disapplication of pre-emption rights in respect of up to 151,658,768 Ordinary Shares for the purposes of the Issue and up to 200 million Ordinary Shares for the purposes of the Placing Programme (“Resolution 3”); • approve certain amendments to the existing Articles of Incorporation in order to provide the Board with the requisite authority to implement a scrip dividend programme should it choose to do so and if authorised by an ordinary resolution of the Company; (“Resolution 4”); and • approve the adoption of an amended investment policy for the Company (“Resolution 5”). <p>The Issue is not being underwritten.</p> <p>The Issue will be conditional upon:</p> <ul style="list-style-type: none"> • Admission occurring by 8.30 a.m. on or around 31 May 2017 (or such later time or date, not being later than 8.30 a.m. on 31 July 2017, as the Company and Stifel may agree); |
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| | | <ul style="list-style-type: none"> the Issue Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission occurs; the passing of Resolution 3 which will be proposed at the extraordinary general meeting of the Company (which shall take place on 19 May 2017); the net proceeds of £60 million (or such other amount as the Company and Stifel may determine and notify to potential investors via publication of a RIS notice (the “Minimum Net Proceeds”) having been raised. <p>The Directors and Stifel reserve the right as to whether or not to proceed with the Issue if the Net Issue Proceeds are less than the Minimum Net Proceeds. If the Issue does not proceed, subscription monies received will be returned without interest at the risk of the applicant. The Issue will not be revoked after Admission has become effective.</p> <p>The Company will also institute the Placing Programme pursuant to which Placing Programme Shares will be made available to places at an issue price calculated by reference to the prevailing Net Asset Value per Ordinary Share together with a premium intended to cover the costs and expenses of the placing (including, without limitation, any placing commissions) and the initial investment of the amounts raised. As stated above, the Company will seek the approvals necessary for the Placing Programme to be implemented at the EGM.</p> <p>Each issue of Placing Programme Shares will be conditional on, <i>inter alia</i>, the admission of the Placing Programme Shares to the Premium Listing segment of the Official List and to trading on the London Stock Exchange’s Main Market for listed securities.</p> <p>The Placing Programme is not being underwritten.</p> |
| E.4 | Material interests | Not applicable. No interest is material to the Issue. |
| E.5 | Name of person or entity offering to sell securities | Not applicable. No person is selling securities. |
| E.6 | Dilution | <p>The percentage holding of an existing Shareholder will be diluted to the extent that they do not participate in the Issue. Where a Shareholder does not participate in the Ordinary Share Placing or in the Offer for Subscription but the Issue is (i) fully subscribed and the Shareholder takes up his full entitlement under the Open Offer assuming the maximum Issue size, the dilution of the percentage holding for such an existing Shareholder would be approximately 4.3 per cent.; and (ii) fully subscribed but the Shareholder has not participated in the Open Offer, such an existing Shareholder’s percentage holding will be diluted by approximately 20.3 per cent. assuming the maximum Issue size.</p> <p>The percentage holding of an existing Shareholder will be diluted to the extent that Placing Programme Shares are issued and any such existing Shareholder does not participate.</p> |

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| E.7 | Estimated expenses charged to the investor by the issuer or the offeror | <p>Not applicable. No expenses will be charged to investors by the Company in connection with the Issue.</p> <p>The issue price of Ordinary Shares issued pursuant to the Placing Programme will include a premium intended, <i>inter alia</i>, to cover the costs and expenses of the relevant placing of Ordinary Shares (including, without limitation, any placing commissions) and the initial investment of the amounts raised pursuant to the Placing Programme.</p> |
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RISK FACTORS

An investment in the Company involves significant risks and is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the whole amount invested) which may result from such an investment. Accordingly, potential investors should review carefully and evaluate the risks and the other information contained in this document before making a decision to invest in the Company. If in any doubt, potential investors should immediately seek their own personal financial advice from an independent professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities or other advisers such as legal advisers and accountants.

If any of the following risks actually occur, the business, financial condition, capital resources, results and/or future operations of the Company could be materially and adversely affected. In such circumstances, the trading price of the Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks and uncertainties not currently known may also have an adverse effect on the Company.

The Directors believe that the risks described below are the material risks relating to the Ordinary Shares, the Company and its industry at the date of this document. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem to be immaterial at the date of this document, may also have an adverse effect on the performance of the Company and the value of the Ordinary Shares. Potential investors should review this document carefully and in its entirety and consult with their professional advisers before making an application to invest in the Ordinary Shares.

A. Risks relating to the Group

The Company has a limited operating history

The Company was formed on 30 December 2014 and has a limited operating history. Because the Company has a limited operating history, investors have a limited basis on which to evaluate the Company's ability to achieve its investment objective and provide a satisfactory investment return.

Any investment in the Company will be speculative in nature and will involve a high degree of risk. A Shareholder could lose all or a substantial portion of their investment in the Company. Shareholders should have the financial ability, sophistication, experience and willingness to bear the risks of an investment in the Company.

Changes in laws or regulations may adversely affect the Group's business, investments and the results of its operations

The Group, the Investment Manager and the Investment Adviser are subject to laws and regulations enacted by national, regional and local governments and institutions. These laws and regulations and their respective interpretation and application may change from time to time and those changes could have a material adverse effect on the Investments and the results of its operations. The precise nature of all of the risks and uncertainties that the Group may face in the case of a change of law or regulation cannot be predicted and are outside of the Group's control, and further, the political and economic uncertainty which results from any actual or proposed change of applicable laws or regulations could adversely affect the operations and results of the Group.

The uncertainty regarding the UK's exit from the European Union may lead to a period of financial uncertainty and market volatility

On 23 June 2016, UK citizens voted in favour of the UK leaving the EU ("Brexit"). The UK served notice of its departure to the EU on 29 March 2017, thereby initiating the two year formal process for negotiating the UK's exit from the EU with other EU member states. The implications of this decision are not known as at the date of this document. The uncertainty caused by the ongoing negotiation and potential outcome may lead to heightened levels of market volatility both in the UK, the EU and globally.

It is possible, that following the Brexit vote and following a formal request from the Scottish government to do so, Scotland may hold a second referendum to vote on becoming independent from the remainder of the United Kingdom. This could lead to further uncertainty and market volatility.

Accordingly there will be a period of prolonged uncertainty regarding aspects of the UK economy including the possibility of a period of recession, together with other risks which could materially and adversely affect the legal, operational, regulatory and tax regime(s) to which the Group is currently subject. The effect of these risks could also be to increase compliance and operating costs whilst restricting the movement of its capital and the mobility of its personnel.

The uncertainty created by the outcome of the referendum may also lead to heightened levels of market and currency volatility both in the UK and globally. Any of these risks, taken singularly or in aggregate, could have a material adverse effect on the Group's business, financial position and results of operations.

The depreciation in Sterling makes non-Sterling investments more expensive for the Group to acquire investments

Investing across multiple jurisdictions may also expose the Company to financial risks associated with fluctuations in exchange rates, primarily between Sterling, euro and US dollar. In particular, the announcement of Brexit caused significant currency exchange rate fluctuations that resulted in a weakening of Sterling against foreign currencies. As the Group intends to hold surplus funds awaiting investment in Sterling, any fall in value of Sterling could have a negative effect on the Group by making non-Sterling investments more expensive. Whilst the Company hedges its exposure to foreign exchange risk, exchange rate fluctuations could have a material adverse effect on the translation of profits earned in euros or US dollar to Sterling. The Company may not be able to compensate for, or hedge against, such adverse effects and therefore adverse exchange rate movements may have a material adverse effect on the investments, results of operations or financial condition of the Company.

The snap general election in the UK may lead to uncertainty and market volatility

On 18 April 2017, the UK Prime Minister announced that she would seek a snap general election on 8 June 2017. The uncertainty caused by the unexpected announcement of the general election, and the potential outcome, could lead to market volatility in the UK.

The Directors, the Investment Manager, the Investment Adviser and the Administrator may have conflicts of interest in the course of their duties

The Directors, the Investment Manager, the Investment Adviser and the Administrator may, from time to time, provide services to, or be otherwise involved with, other investment programmes established by parties other than the Company, which may have similar objectives to those of the Company. It is therefore possible that any of these investment programmes may, in the course of business, have potential conflicts of interest with the Company. The impact of this may be wide-ranging and difficult to quantify with certainty however may result in the Company's interests being prejudiced to the advantage of such third parties. The Directors are subject to the provisions of Guernsey law which impose a range of duties upon directors, including in relation to avoiding conflicts of interest in certain circumstances. In addition, the Investment Manager has undertaken to the Company and the Investment Adviser has undertaken to the Investment Manager, among other things, to seek to ensure that conflicts of interest that it may be faced with are resolved fairly. The Investment Adviser and Investment Manager also have policies and procedures in place to deal with conflicts of interest as they arise, and in addition all conflicts of interest are monitored and discussed by the Board of Directors.

Availability of appropriate assets

Although the Directors, the Investment Manager and the Investment Adviser believe that there is substantial availability of investments of the type intended to be made by the Group, either through acquiring in the secondary markets debt instruments backed by economic infrastructure assets, or through originating debt instruments to infrastructure projects and companies, there is no guarantee that such availability will continue to result in sufficient investments being made in a timely manner, or at all, to allow the Company

to deliver the targeted returns for Shareholders. When the availability of appropriate assets is lower than expected, it is likely that the Company will take longer than expected to identify and make investments in appropriate assets and therefore a greater proportion of the Group's assets will be held in cash which will generate a much lower return for Shareholders than currently envisaged.

The Net Issue Proceeds will be deployed primarily in acquiring the Target Portfolio, and potentially, in acquiring further investments that the Investment Adviser identifies in the future which are not currently anticipated to be included in the Target Portfolio described in Part 6 of this Prospectus. In either case the approach of the Investment Adviser is not to recommend the acquisition of assets until full and satisfactory due diligence has been undertaken. In broad terms, the Investment Adviser will prioritise transactions that: (i) are especially attractive with regards to yield, credit quality or other terms; (ii) are advantageous to the overall composition of the portfolio, for example by improving the exposure of the fund to specific sectors or sub-sectors in which it is underweight; or (iii) may not be available as investments in the future if the acquisition is not completed speedily.

In particular, the Group has not entered into any legally binding documentation to acquire any assets for the Target Portfolio described in Part 6 of this Prospectus. Any investments that have been identified by the Investment Adviser are either available for purchase as at the Portfolio Date, or within six to nine months of the Issue. However there can be no assurance that any of these investments will remain available for purchase after the Issue in a timely fashion, or at all or, if available, at what price the investments can be acquired by the Group. The potential investments have not been fully analysed by the Investment Adviser, the Investment Manager or the Board, and there can be no guarantee that the Group will ultimately pursue all, or any, of the potential investments. There is no particular priority which the Investment Adviser would apply in relation to the Target Portfolio and there can be no certainty to the order or timeframe in which the Investment Adviser would make any such investments. Specifically, a slower deployment of proceeds than expected will negatively affect the Company's targets as the Company will remain uninvested for longer than expected.

The composition of the acquired portfolio, therefore, may be substantially different to that envisaged for the Target Portfolio as described in Part 6 of this Prospectus. In these circumstances, whilst the Group will endeavour to source investments with similar characteristics, there can be no assurance that it will be able to do so within a reasonable timeframe, on acceptable terms, or at all.

Reinvestment Risk

To the extent that any investments prepay or mature or are sold, the Investment Adviser will seek to reinvest the proceeds in investments that satisfy the Investment Criteria and the Investment Concentration Limits. The yield on such pipeline investments will depend on, among other factors, the reinvestment rates available at the time, the availability of investments which satisfy the Investment Criteria and the Investment Concentration Limits and on market conditions related to economic infrastructure bonds and loans in general. These factors may require the purchase of assets with a lower yield than those replaced, with different characteristics to those replaced (including, but not limited to, coupon, maturity, call features and/or credit quality) or require that funds be maintained in cash or short-term investments pending reinvestment in substitute investments, which will further reduce the yield of the Portfolio. Any decrease in the yield of the Portfolio will have the effect of reducing the amount available to pay dividends on the Shares. There can be no assurance that if investments prepay, mature or are sold, yields on investments eligible for purchase will be at the same level as those replaced nor that the characteristics of any pipeline investments will be the same as those replaced nor as to the timing of purchase of any substitute investments.

The Company's target return and target dividend yield are based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies, and the actual return and dividend yield may be materially lower than the targeted return and target dividend yield

The Company's target return and target dividend yield set forth in this Prospectus are targets only and are based on estimates and assumptions concerning the performance of the Group which will be subject to a variety of factors including, without limitation, operating expenses, the availability of investment opportunities, speed of deployment of funds, asset mix, value, volatility, holding periods, performance of

underlying portfolio debt issuers and borrowers, investment liquidity, borrower default, changes in current market conditions, interest rates, adverse currency exchange rate movements, government regulations or other policies, the worldwide economic environment, changes in law and taxation, natural disasters, terrorism, social unrest and civil disturbances or the occurrence of risks described elsewhere in this Prospectus, which are inherently subject to significant business, economic and market uncertainties and contingencies, all of which are beyond the control of the Company and which may adversely affect the Company's ability to achieve its target return and target dividend yield. In particular, the Company may have significant exposure in the United States of America, the success of which may be effected by currency volatility and any changes (or inability to make proposed changes) to policies and laws in the United States. Such targets are based on market conditions and the economic environment at the time of assessing the proposed targets and the assumption that the Company will be able to implement its Investment Policy and strategy successfully, and are therefore subject to change. There is no guarantee or assurance that the target return and/or target dividend yield can be achieved at or near the levels set forth in this Prospectus. Accordingly, the actual rate of return and actual dividend yield achieved may be materially lower than the targets, or may result in a loss. A failure to achieve the target return and/or target dividend yield set forth in this Prospectus may adversely affect the Group's business, financial condition, results of operations, NAV and/or the market price of the Ordinary Shares.

The Group may be unable to realise value from its investments in the event of the insolvency of a borrower, and investors could lose all or part of their investment

A substantial component of the Investment Adviser's analysis of the desirability of making a given investment relates to the estimated residual or recovery value of such investments in the event of the insolvency of the borrower. This residual or recovery value will be driven primarily by the value of the underlying assets constituting the collateral for such investment. The value of collateral can, however, be extremely difficult to predict and in certain market circumstances there could be little, if any, market for such assets. Moreover, depending upon the status of these assets at the time of a borrower's default, they may be substantially worthless. The types of collateral owned by the borrowers in which the Group invests will vary widely, but are expected to be primarily infrastructure assets and concessions, and secondarily other tangible and financial assets. A default that results in the Group holding collateral may materially adversely affect the performance of the Group and the value of the Ordinary Shares.

In the event of the insolvency of a borrower in respect of an Investment, the Group's recovery of amounts outstanding in insolvency proceedings may be affected by the insolvency regimes in force in the jurisdiction of incorporation of such borrower and/or in the jurisdiction in which it mainly conducts its business, and/or in the jurisdiction in which the assets of such borrower are located. Some insolvency regimes impose rules for the protection of creditors and may adversely affect the Group's ability to recover such amounts as are outstanding from the insolvent borrower, which may consequently adversely affect the performance of the Group and its business, financial condition, results of operations, NAV and/or the market price of the Ordinary Shares.

Similarly, the ability of borrowers to recover amounts owing to them from insolvent underlying obligors may be adversely affected by any such insolvency regimes applicable to those underlying obligors, which in turn may adversely affect the abilities of those borrowers to make payments to the Group due under the Investment on a full or timely basis.

A number of jurisdictions operate unpredictable insolvency regimes which may cause delays to the recovery of amounts owed by insolvent borrowers or underlying obligors subject to those regimes. These delays may have a material adverse effect on the performance of the Group and its business, financial condition, results of operations, NAV and/or the market price of the Ordinary Shares.

Various laws enacted for the protection of creditors and stakeholders may apply to certain Investments that are debt obligations, although the existence and applicability of such laws will vary between jurisdictions. For example, if a court were to find that a borrower did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by an Investment and the grant of any security interest securing such Investment, and, after giving effect to such indebtedness, the borrower: (i) was insolvent; (ii) was engaged in a business for which the assets remaining in such borrower constituted unreasonably small

capital; or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court may: (a) invalidate such indebtedness and such security interest as a fraudulent conveyance; (b) subordinate such indebtedness to existing or future creditors of the borrower; or (c) recover amounts previously paid by the borrower (including to the Group) in satisfaction of such indebtedness or proceeds of such security interest previously applied in satisfaction of such indebtedness. In addition, if a borrower in whose debt the Group has an Investment becomes insolvent, any payment made on such Investment may be subject to avoidance, cancellation and/or clawback as a “preference” if made within a certain period of time (which for example under some current laws may be as long as two years) before insolvency. In general, if payments on an Investment are voidable, whether as fraudulent conveyances, extortionate transactions or preferences, such payments may be recaptured either from the initial recipient or from subsequent transferees of such payments. To the extent that any such payments are recaptured from the Group, there may be an adverse effect on the performance of the Group and, by extension, on the Company’s business, financial condition, results of operations, NAV and/or the market price of the Ordinary Shares.

Capital gains from the Investments may require significant time to materialise or may not materialise at all

Investments that the Group makes may not appreciate in value and, in fact, may decline in value. There may be a significant period between the date that the Group makes an investment and the date that any capital gain or loss on such investment is realised. Capital return on the Investments, therefore, may not be realised for a substantial time period, if at all.

There can be no assurance that the Investments will generate gains or income or that any gains or income that may be generated will be sufficient to offset any losses that may be sustained. As a result, investing in the Company is speculative and involves a high degree of risk. The Group’s performance may be volatile and investors could lose all or part of their investment.

The Investment Adviser is dependent upon the expertise of key personnel in providing investment advisory services to the Investment Manager and the Company

The ability of the Group to achieve its investment objectives is significantly dependent upon the expertise of the Investment Adviser’s partners and employees and the ability of the Investment Adviser to attract and retain suitable staff. The impact of the departure, for any reason, of a key individual (or individuals) on the ability of the Investment Adviser to achieve the investment objective of the Group cannot be determined and may depend on, amongst other things, the ability of the Investment Adviser to recruit other individuals of similar experience and credibility. A failure by the Investment Adviser to recruit suitable individuals to replace any key individual who leaves the Investment Adviser may have a negative impact on the performance of the Investment Adviser and, therefore, of the Group.

Market value of Group’s investments

The value of the investments made and intended to be made by the Group will change from time to time according to a variety of factors, including the performance of the underlying borrowers, movements and expected movements in interest rates, exchange rates, inflation and bond ratings and general market pricing of similar investments. Such changes will affect the Company and the Net Asset Value.

Liquidity of Group’s investments

Infrastructure debt investments in loan form are not likely to be publicly-traded or freely marketable, and debt investments in bond form may have limited or no secondary market liquidity. Such investments may therefore be difficult to value or sell and therefore the price that is achievable for the investments might be lower than the valuation of these assets as determined by the Valuation Agent.

Use of Leverage by the Company

The Company may utilise borrowings for investment purposes, share buybacks and short term liquidity, subject to a maximum permitted leverage of 20 per cent. of the Company’s NAV. Entry into leverage agreements may involve granting of security by the Company over the Portfolio. As at 11 April 2017, the Company had gross leverage of £40 million which remains fully drawn and represents approximately 6.5 per

cent. of NAV. Since the Shares are equity instruments, on any insolvency of the Company, Shareholders could rank behind the Company's financing counterparties, whose claims will be considered as indebtedness of the Company and may be secured.

The Company may also be required to provide cash margin to a lender based on market movements in the value of the Portfolio and this may reduce funds available to the Company for distribution. In addition, the Company's financings may be relatively short-term, whereas the Investments of the Company are medium to long-term. To the extent that refinancing facilities are not available at economic rates or at all, the Company may be required to sell assets at disadvantageous prices, which could have an adverse effect on the Company's NAV and/or the market price of the Shares.

B. Risks relating to the Ordinary Shares and Shareholders

An active and liquid trading market for the Ordinary Shares may not be maintained

An active and liquid trading market in Ordinary Shares may not be maintained.

The Company cannot predict the effect on the price of the Ordinary Shares if a liquid and active trading market for the Ordinary Shares is not maintained. In addition, if such a market does not develop or ceases, relatively small sales of Ordinary Shares may have a significant negative impact on the price of Ordinary Shares, whilst sales of a significant number of Ordinary Shares may be difficult to execute at a stable price close to or at the prevailing market price at that time.

The price of Ordinary Shares may fluctuate significantly and potential investors could lose all or part of their investment

The market price of Ordinary Shares may fluctuate significantly and potential investors may not be able to sell their Ordinary Shares at or above the price at which they purchased them. Factors that may cause the price of Ordinary Shares to vary include but are not limited to:

- changes in the Company's financial performance and prospects or in the financial performance and prospects of companies engaged in businesses that are similar to the Company's business;
- changes in the underlying values of the Investments;
- the termination of the Investment Management Agreement and/or the Investment Advisory Agreement, and the departure of some or all of the Investment Manager and/or the Investment Adviser's investment professionals;
- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations that are applicable to the Company;
- a rise in interest rates or rates of inflation, or an increase in the market's expectation of such rises;
- changes or increased volatility in currency exchange rates, or the market's expectation of such changes or increased volatility;
- sales of Shares by Shareholders;
- general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events;
- speculation in the press or investment community regarding the business or Investments or other direct or indirect factors or events;
- a reduction in the ability of the Company to access leverage or further equity finance; and
- further issues of Shares.

Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. Any broad market fluctuations may adversely affect the trading price of the Ordinary Shares.

Dividends

There can be no assurance as to the level and/or payment of future dividends by the Company in relation to Ordinary Shares (including those issued pursuant to the Placing Programme). The declaration, payment and amount of any future dividends by the Company are subject to the discretion of the Directors and will depend upon, among other things, the performance of the Company, the ability of the Group to make further investments, dividends declared and paid by the Company and the size of any such dividends, the Company's earnings, financial position, cash requirements and availability of profits, as well as the provisions of relevant laws or generally accepted accounting principles from time to time.

Should market conditions change, if there is a deterioration in the Investment Adviser's pipeline or if the Investment Adviser is unable to deploy proceeds into suitable opportunities, Ordinary Shareholders may experience "cash drag" which may impact the Company's ongoing dividend target.

The Ordinary Shares may trade at a discount to Net Asset Value

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

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

The Company intends to restrict the ownership and holding of its Shares so that none of its assets will constitute "plan assets" under Section 3(42) of ERISA and U.S. Department of Labor regulations promulgated under ERISA by the U.S. Department of Labor and codified at 29 C.F.R. Section 2510.3-101 as they may be amended or modified from time to time (collectively, the "**U.S. Plan Asset Regulations**"). The Company intends to impose such restrictions based on deemed representations in the case of its Shares. If the Company's assets were deemed to be "plan assets" of any U.S. Plan Investor, then: (i) the prudence and other fiduciary responsibility standards of ERISA would apply to investments made by the Company; and (ii) certain transactions that the Company or a subsidiary of the Company may enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA or Section 4975 of the U.S. Tax Code and might have to be rescinded. Governmental plans, certain church plans and non-U.S. plans, while not subject to Title I of ERISA or Section 4975 of the U.S. Tax Code, may nevertheless be subject to a Similar Law. As a result, such plans will be deemed to represent that their purchase and holding of the Shares will not result in a violation of any Similar Law that prohibits or imposes an excise or penalty tax on the purchase of the Shares.

Each purchaser and subsequent transferee of the Shares will be deemed to represent and warrant that no portion of the assets used to acquire or hold its interest in the Shares constitutes or will constitute "plan assets" under the U.S. Plan Asset Regulations. The Articles of the Company provide that the Board of Directors may refuse to register a transfer of Shares to any person it believes to be a Non-Qualified Holder or U.S. Plan Investor. If any Shares are owned directly or beneficially by a person believed by the Board of Directors to be a Non-Qualified Holder or U.S. Plan Investor, the Board of Directors may give notice to such person requiring him either (i) to provide the Board of Directors within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board of Directors that such person is not a Non-Qualified Holder or U.S. Plan Investor; or (ii) to sell or transfer their Shares to a person that is not a U.S. Plan Investor or another Non-Qualified Holder, and thus is qualified to own the same, within 30 days and within such 30 days to provide the Board of Directors with satisfactory evidence of such sale or transfer. Where condition (i) or (ii) is not satisfied within 30 days after the serving of the notice, the person will be deemed, upon the expiration of such 30 days, to have forfeited their Shares.

In addition, the Company has also implemented restrictions on transfers of any Shares where such transfers: (i) may require the Company to register as an "investment company" under the U.S. Investment Company Act (including because the holder of the Shares is not a "qualified purchaser" as defined in the U.S. Investment Company Act); (ii) may cause the Company to register under the U.S. Exchange Act or any similar legislation; (iii) may cause the Company not being considered a "Foreign Private Issuer" as such term

is defined in rule 3b-4(c) under the U.S. Exchange Act; or (iv) may result in violations of the transfer restrictions put forth in any prospectus published by the Company. See paragraph 14 of Part 7 and paragraph 3.1(f) of Part 12 of this Prospectus.

Ordinary Shareholders have no right to have their Ordinary Shares redeemed or repurchased by the Company

The Company has been established as a closed-ended vehicle. Accordingly, there is no right or entitlement attaching to Ordinary Shares that allows them to be redeemed or repurchased by the Company at the option of the Ordinary Shareholder. Although the Directors intend, in due course, to offer Ordinary Shareholders the opportunity to participate in the Discretionary Tender facility, this is entirely discretionary and is further subject to annual Shareholder approval and certain restrictions.

In addition to the Discretionary Tender facility, the Directors may seek Shareholder approval to grant them the power to make ad hoc market purchases of Ordinary Shares. If such authority is sought and subsequently granted, the Directors will have complete discretion as to the timing, price and volume of Ordinary Shares to be purchased. Ordinary Shareholders should not place any reliance on the willingness of the Directors so to act. In the absence of the availability of the Discretionary Tender facility or market purchases of Ordinary Shares by the Company, Shareholders wishing to realise their investment in the Company will be required to dispose of their Ordinary Shares on the stock market. Accordingly, Ordinary Shareholders' ability to realise their investment at any particular price and/or time may be dependent on the existence of a liquid market in the Ordinary Shares.

Shareholders' percentage voting rights in the Company may increase as a result of any share buybacks by the Company or Tender Purchases and as a result there is a risk that a Shareholder may acquire 30 per cent. of the voting rights in the Company and then be obliged under the Takeover Code to make a general offer to all the remaining Shareholders to acquire their Shares

Under Rule 9 of the Takeover Code, any person who acquires shares which, taken together with shares already held by him or shares held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights in a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, when any person or persons acting in concert already hold more than 30 per cent. but not more than 50 per cent. of the voting rights of such a company, a general offer will normally be required if any further shares increasing that person's percentage of voting rights are acquired.

Under Rule 37 of the Takeover Code, when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code.

Accordingly, when the Company undertakes a buyback of Ordinary Shares or makes Tender Purchases pursuant to a Discretionary Tender, any resulting increase in the percentage of the voting rights in the Company held by a Shareholder (or Shareholders acting in concert) will be treated as an acquisition in accordance with Rule 37 of the Takeover Code and, if such percentage reaches 30 per cent. of the voting rights in the Company, or if a Shareholder (or Shareholders acting in concert) already hold(s) 30 per cent. of the voting rights in the Company and such percentage Shareholding increases further, the relevant Shareholder or Shareholders would be required under Rule 9 of the Takeover Code to make a general offer to all remaining Shareholders to acquire their Shares.

If such a situation arises or is likely to arise, it is the intention of the Directors to seek a waiver from the Takeover Panel of the requirement that the relevant Shareholder or Shareholders make an offer under Rule 9 of the Takeover Code as a result of Share purchases. However, the Directors cannot guarantee that such a waiver will be obtained or that the relevant Shareholder or Shareholders would not be required to make a general offer to the remaining Shareholders to acquire their Shares.

Discretionary Tenders will be subject to certain restrictions and so Ordinary Shareholders should not have an expectation that all or any of the Ordinary Shares they make available for sale to the Company will be purchased through the Discretionary Tender facility

Discretionary Tenders are entirely discretionary and, if made, are contingent upon certain factors including, but not limited to, the Company's ability to finance Tender Purchases. Ordinary Shareholders should therefore have no expectation of being able to tender their Ordinary Shares to the Company on a quarterly basis.

The operation of the Discretionary Tender facility will be subject to Shareholder approval on an annual basis, and there is no guarantee that Shareholders will vote to renew the Discretionary Tender facility. Shareholders should note that just because shareholder approval of a Discretionary Tender is obtained, that does not mean the Company will conduct a Discretionary Tender. This is a matter entirely within the discretion of the Company. Accordingly, Shareholders should have no expectation that a Discretionary Tender will be available at any specific time, or at all.

D. Risks relating to the Investments

A valuation is an estimate of value and not a precise measure of realisable value

All investments made by the Group will be valued by a third party in accordance with the valuation methodology set out in paragraph 14 of Part 2 of this Prospectus. The resulting valuations will be used, amongst other things, for determining the basis on which various transactions in the Shares take place (including pursuant to the Issue and the Placing Programme and potential future issues of Shares). Valuations of the Investments reflect the Valuation Agent's view of expected cashflows and appropriate discount rates, which are uncertain. To the extent that these discount rates or any other metric used in the valuation of the Group's assets are incorrect the valuation of the Investments may be inaccurate. Moreover, a valuation is only an estimate of value and is not a precise measure of realisable value. Therefore, transactions in the Shares may take place by reference to valuations of Investments which do not reflect the realisable value of underlying assets. There can be no certainty that estimated monthly valuations will be equivalent or similar to NAV valuations calculated by the Company's auditors at the end of each financial year.

Lack of diversification of asset class

Other than some holdings in cash, or cash equivalents, and hedging instruments, the Group intends to invest exclusively in economic infrastructure debt investments and therefore bears the risk of investing in only one asset class. If returns from economic infrastructure debt investments are adversely affected, the lack of diversification across any other asset class in the investment portfolio means that there will be no income from another class of assets to off-set any shortfall, which may have an adverse effect on the income received by the Group and the value of the Group's assets.

Failure by the Investment Manager, the Investment Adviser or other third-party service providers of the Company to carry out its or their obligations could materially disrupt the business of the Company

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company must therefore rely on the performance of third-party service providers to perform its executive functions. In particular, the Investment Manager, the Investment Adviser and the Administrator will perform services that are integral to the operations and financial performance of the Company. The Group is reliant on the systems and processes of several entities. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, or the failure of their systems and processes could have a materially adverse effect on the Company's performance and returns to Shareholders.

Counterparty credit risk

Hedge transactions and repurchase agreements involve the Group entering into contracts with counterparties. Pursuant to such contracts, the counterparties agree to make payments (and, in the case of repurchase agreements, deliveries) to the Group under certain circumstances as described therein. The Group will be exposed to the credit risk of the counterparty with respect to any such payments or deliveries.

For example, the Group may enter into an asset swap transaction in order to convert the cashflows from a fixed-rate instrument into a floating rate. In that case, the Group will depend upon the counterparty to perform its obligations under the asset swap agreement. If the counterparty defaults or becomes unable to perform due to insolvency or otherwise, the Group may not receive payments it would otherwise be entitled to from such counterparty to hedge its fixed rate cashflow into the applicable floating rate. In addition, if under the terms of the asset swap the Group is required to provide collateral to the counterparty based on movements in the market value of the swap transaction, any such adverse market movements may require the Group to provide cash margin to the counterparty and this may reduce funds available to the Company for distributions.

The Group may borrow funds by entering into a repurchase transaction (repo), under which it sells a debt instrument to the repo counterparty and agrees to repurchase an equivalent debt instrument at a later date for a higher price. In that case, the Group will depend on the counterparty to redeliver the equivalent debt instrument on maturity of the repo agreement. If the repo counterparty defaults or becomes unable to perform due to insolvency or otherwise, the Group may be unable to recover an equivalent debt instrument to that delivered under the repo.

The Group hedges a proportion of its foreign exchange risk which arises from holding non-Sterling investments whilst its Ordinary Shares are denominated in Sterling. Such hedging may be executed by, for example, selling a non-Sterling currency for Sterling at a future date. To the extent that Sterling appreciates in value prior to that forward date, the Group will be exposed to the credit risk of its hedging counterparty.

Additionally, although the Group will generally only hold its uninvested cash (excluding operational cash) with banks rated (at the bank group level) at least A-1, P-1 or F-1 from S&P, Moody's or Fitch respectively, or in one or more similarly-rated money market or short-dated debt funds, a default by the bank or losses on the money market or short-dated debt fund would adversely affect the Company. This risk will be of particular significance when the Company has a significant amount of uninvested cash including immediately following the completion of the Issue.

The success of the Company depends on the ability of the Investment Manager and Investment Adviser to achieve the Company's investment objectives

The success of the Company will depend on the ability of the Investment Manager and Investment Adviser to achieve the Company's investment objective in accordance with the Company's Investment Policy. There can be no assurance that the Investment Manager and the Investment Adviser will be able to do so or that the Company will be able to generate any investment returns for Shareholders or indeed avoid investment losses.

Market factors may result in the failure of the investment strategy followed by the Group

Strategy risk is associated with the failure or deterioration of an investment strategy such that most or all investment managers employing that strategy suffer losses. Strategy specific losses may result from excessive concentration by multiple market participants in the same investment or general economic or other events that adversely affect particular strategies (for example the disruption of historical pricing relationships). The strategy employed by the Group involves substantial risk of loss in the event of such a failure or deterioration in the infrastructure debt sector. The Group has an Investment Policy which defines, to a degree, how the Group must invest and the Directors require the approval of a majority of the Shareholders to make any material changes to the Investment Policy. As a result, the Group's investment strategy may fail, and it may be difficult for the Directors to amend the Group's investment strategy quickly or at all should certain market factors appear, which may adversely affect the performance of the Group's business, financial condition, results of operations, NAV and/or the market price of the Ordinary Shares.

The investment objective, Investment Policy, investment strategy, Investment Concentration Limits, Borrowing Limit and/or emphasis of the Group may change over time

The Directors may make changes to the investment objective, Investment Policy, investment strategy, Investment Concentration Limits and Borrowing Limit which they consider are not material without the consent of Shareholders. Material changes to the Group's investment objective, Investment Policy,

Investment Concentration Limits and Borrowing Limit may be made with the approval of a majority of Shareholders. If the investment objective, Investment Policy, Investment Concentration Limits, Borrowing Limit and/or strategy of the Group were to change, the Company (and therefore, indirectly, Shareholders) may find that the nature of its investment exposure changes, possibly significantly and its ability to exit may be limited, which could have a material adverse effect on the Company's business, financial condition, results of operations, NAV and/or the market price of the Ordinary Shares.

E. Risks relating to the Investment Manager and the Investment Adviser

The Investment Manager is dependent upon the expertise of its personnel in providing investment management services to the Company

The ability of the Group to achieve its investment objectives is significantly dependent upon the expertise of the Investment Manager's employees and the ability of the Investment Manager to attract and retain suitable staff. The impact of the departure, for any reason, of an individual (or individuals) on the ability of the Investment Manager to achieve the investment objective of the Group cannot be determined and may depend on, amongst other things, the ability of the Investment Manager to recruit other individuals of similar experience and credibility. A failure by the Investment Manager to recruit suitable individuals to replace individuals who leave the Investment Manager may negatively affect on the performance of the Investment Manager and therefore, of the Group.

The Company is the first listed fund with which the Investment Adviser has been involved

While the Investment Adviser's directors and employees have significant experience of working in European and U.S. infrastructure debt, asset management and debt capital markets, this is the first listed fund with which the Investment Adviser has been involved. Accordingly, other than as described in Part 5 of this document, the Investment Adviser has a limited performance history in relation to listed economic infrastructure debt funds for a potential investor to consider in making a decision in whether to invest in Ordinary Shares. There can be no assurance that the Investment Adviser will be successful in managing the Group's portfolio or achieving the Group's investment objectives.

The Investment Manager, the Investment Adviser and their respective principals are involved in other businesses and investments which may create conflicts of interest

The Investment Manager, in addition to providing investment management services to the Company, provides investment management services to a number of other funds and accounts. Similarly, the Investment Adviser, in addition to advising upon the Investments, currently serves, or may serve in the future, as the investment adviser and/or investment manager to other investment funds and managed accounts. Accordingly, neither the Investment Manager nor the Investment Adviser devotes its resources exclusively to the business of the Company. In addition, each of the Investment Manager and the Investment Adviser and its owners, members, officers and principals are presently, and will in the future continue to be, involved in other business ventures that have no relationship with the Company. Accordingly, the Investment Manager, the Investment Adviser and their respective owners, members, principals and officers may encounter potential conflicts of interest in connection with their respective roles to the Company and their respective involvement in other business ventures. Each of the Investment Manager and the Investment Adviser has undertaken, *inter alia*, to seek to ensure that any conflicts of interest in respect of its services are resolved fairly.

The Investment Adviser will reinvest one quarter of its management fees in subscribing for Ordinary Shares, and its directors have personal investments in the Ordinary Shares. Notwithstanding this, the interests of the Investment Adviser, its directors and other investors in the Shares may not be aligned and may create conflicts of interest between the Investment Adviser and other investors in the Shares.

The Investment Manager and the Investment Adviser are dependent on information technology systems

The Investment Manager and the Company are dependent on the Investment Adviser for investment, operational and financial advisory services. The Investment Adviser depends on information technology systems in order to assess investment opportunities, strategies and markets and to monitor and control risks for the Company.

It is possible that a failure of some kind which causes disruptions to these information technology systems could materially limit the Investment Adviser's ability to adequately assess and manage the investments of the Company, formulate strategies and provide adequate risk control. Any such information technology related difficulty could harm the performance of the Company.

F. Risks associated with the Investments

Risks that may be relevant to any of the Investments

No control

The Group will not normally have control over decisions taken by borrowers other than to a limited extent through the normal operation of loan or bond covenants, warranties and representations, or other terms. This may result in borrowers making decisions that are not in the interests of the Company or the Subsidiary.

In circumstances where the Group invests in a loan or bond, it may only hold a small percentage of the total outstanding loan or bonds, and therefore may not have the ability to block certain decisions made collectively by the lending group that may be taken either prior to or after a default by the borrower. This may result in the group of lenders to a borrower making decisions that are not in the interests of the Group. Additionally in certain cases the agent bank (in the case of loans) or the trustee (in the case of bonds) may make decisions related to the investment which may not be in the interests of the Group.

Borrower default

Although a detailed assessment of the creditworthiness of all borrowers will be conducted in respect of infrastructure loans and bonds in which the Group will invest, there remains a risk that such borrowers may default on their obligations to the Group. Such a default may adversely affect the income and principal repayments due to be received by the Group and the value of the Group's assets.

Sufficiency of due diligence

Whilst the due diligence process in connection with the Investments may include site visits, meetings with management, and engaging lawyers, technical consultants, independent valuers and financial model auditors, this may not reveal all facts that may be relevant in connection with an investment and may not highlight issues that could affect the Investments' performance. Additionally, in some circumstances where the Group is acquiring secondary market loans, the due diligence reports that are available may be out of date. Any failure in the due diligence conducted by the Group to highlight relevant issues may result in the Group acquiring an asset that does not perform as expected which may adversely affect the income received by the Group and the value of the Group's assets.

Moreover to the extent that the Group invests in bonds or other securities, then the information available will be limited to publicly-available information which may be less than would be typically received in relation to loan investments. This factor may further increase the risk that the Investment Adviser does not have adequate information to identify risks associated with the Investments.

Errors in financial models or incorrect analysis

Infrastructure projects rely on large and detailed financial models and forecasts. Assumptions are made in such models and forecasts in relation to a range of matters, including revenues, inflation, lifecycle replacement costs, insurance premia, applicable rates of tax, availability of tax reliefs, insurance rates and deposit interest rates and these may diverge in the future from those assumed in the financial models and forecasts. Errors in these or other assumptions or in the methodology used in such financial models and forecasts may mean that the return on an investment is less than expected. In addition, data received which is incorrect or has been incorrectly interpreted may lead to errors in financial models and forecasts and ultimately negatively affect the return on the Investments.

Additionally, the Investment Adviser and the Investment Manager will make use of financial models, developed either in-house or by third parties, for a range of purposes including but not limited to credit assessment and scoring, portfolio optimisation and loan pricing, and errors in one or more of these models may mean that the returns on the Investments will be less than expected.

Targeted returns on loans

The Group will make debt investments based on estimates or projections of that investment's future cashflows (which will primarily consist of interest and principal receipts). These cashflows may be affected by, *inter alia*:

- interest rates, inflation rates and currency exchanges rates, as discussed below;
- borrower defaults, loan restructurings, grace periods, extensions, waivers and debt forgiveness and write-offs; and
- prepayments of Investments.

There can be no assurance that the investment's actual cashflows will equal or exceed those that are expected or that the targeted return on the Investments will be achieved.

Rates of inflation

In certain cases, the Group may make investments based on estimates or projections of future rates of inflation because the Investment Adviser expects that the borrower's underlying revenues and/or expenses will be linked to inflation. If actual inflation differs from this expectation, the net cashflows of the borrower may be lower than anticipated, potentially adversely affecting its ability to service its debt and thereby adversely affecting the position of the Company.

Moreover, the Group may make investments in debt instruments where the return is partially or entirely linked to inflation. In this case, if future inflation is lower than expected, the income received by the Group from that debt instrument will also be lower than expected, and this will adversely affect the position of the Group.

Rates of interest

Changes in interest rates may adversely affect the value or profitability of the assets of the Group in a number of ways:

- by affecting the interest earned on floating-rate assets held by the Group (including, potentially, negative interest rates);
- by affecting the spread between, amongst other things, the income on its assets and the expense of any interest-bearing liabilities;
- by affecting the borrower's ability to service its debts, to the extent that the borrower has not fully hedged any floating rate exposure it has and also by affecting the interest earned by borrowers on any cash balances that they hold; and
- by affecting the valuation and duration of the Group's assets.

Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Group.

Currency exchange rates

The Group intends to make investments across a range of currencies including but not limited to Sterling, U.S. Dollars and the Euro. Changes in currency exchange rates will therefore affect the Company's Net Asset Value, which is denominated in Sterling.

In certain cases, borrowers may be exposed to currency exchange rates if, for example, their revenues and expenses are denominated in different currencies. Changes in currency exchange rates may therefore, adversely affect the borrowers' ability to service their debts which may adversely affect the Group.

Although the Group may utilise financial instruments to partially hedge against changes in currency exchange rates, it is not obliged to do so and may terminate any hedge contract at any time. Moreover, it may

not be possible for the Group to hedge against a particular change or event at an acceptable price or at all. In addition, there can be no assurance that any attempt to hedge against a particular change or event would be successful, and any such hedging failure could materially and adversely affect the performance of the Group and its business, financial condition, results of operations, NAV and/or the market price of the Ordinary Shares.

Furthermore, default by any hedging counterparty in the performance of its obligations could subject the Investments to unwanted credit risks and market risk. Accordingly, although the Group may benefit from the use of hedging strategies, failure to properly hedge the market risk in the Investments and/or default of a counterparty in the performance of its obligations under a hedging contract may have a material adverse effect on the performance of the Group and its business, financial condition, results of operation, NAV and/or the market price of the Ordinary Shares, and such adverse effects may exceed those which may have resulted had no hedging strategy been employed. It is also possible that the Group may be required to post collateral with hedging counterparties in order to enter into hedging contracts which may result in cash drag or investments being sold in order to finance such collateral deposits, which may have an adverse effect on the returns made by the Group on investments.

Demand risk

The Group intends to make debt investments in borrowers that provide services on a “demand” basis, where the borrower’s revenues depend on the level of use made of its assets. Therefore, to the extent that the level of use of the borrower’s assets is less than expected, the borrower will have lower revenues than expected and its ability to service its debts will be impaired. The utilisation of a borrower’s assets will be dependent upon many complex and potentially-interlinked factors, outside the control of the Group. Such factors could include, but are not limited to: macro-economic factors, local factors specific to the region in which the borrower operates, competition, changes in government policy (including taxation) that may affect demand for the borrower’s assets, the skill with which the borrower operates the assets, and the pricing policies adopted by the borrower in respect of its assets. Any default by a borrower will have an adverse effect upon the income received by the Group and the value of the Group’s assets.

Environmental liabilities

To the extent that there are environmental liabilities arising in the future in relation to any sites owned or used by a borrower (including, for example, clean-up and remediation liabilities), that borrower may be required to contribute financially towards any such liabilities which in turn may increase its risk of defaulting. This may adversely affect the income received by the Group and the value of the Group.

Acquisition risks

The Group may make debt investments to borrowers that are acquiring infrastructure assets, as part of their acquisition finance arrangements. In such circumstances the vendor will typically provide various warranties for the benefit of the acquirer and its funders in relation to the acquisition. Such warranties will be limited in extent and are typically subject to disclosure, time limitations, materiality thresholds and liability caps and to the extent that any loss suffered by the acquirer arises outside the warranties or such limitations or exceeds such caps it will be borne by the acquirer, which may adversely affect the income received by the Group and the value of the Group’s assets.

Risks associated with lending to infrastructure project companies

Insurance costs and availability

The Group may make investments based on estimates or projections of the cost to infrastructure project companies of maintaining insurance cover for, amongst other things, buildings, contents and third party risks (for example arising from fire, flood or terrorism). Although generally not the most significant cost incurred by a project company, the cost of insurance to cover risks including those referred to above is a material cost. Where the cost of maintaining the insurance is greater than assumed, it is possible that the ability of the project company to service its debts may be negatively affected. Moreover certain risks may be uninsurable in the insurance market (such as in the event of the occurrence of force majeure events) or subject to an

excess or exclusions of general events and in such cases the risks of such events may rest with the project company. These factors may adversely affect the income received by the Group and the value of the Group's assets.

In the case of certain PPP/PFI infrastructure projects, where insurance is not obtainable, the project agreement usually provides that the public sector counterparty may, in certain circumstances, arrange to insure the relevant risks itself. If a risk then subsequently occurs, the public sector counterparty can typically choose whether to let the project agreement continue, and pay to the project company an amount equal to the insurance proceeds which would have been payable had the insurance been available (excluding in certain cases amounts which would have been payable in respect of equity investment), or terminate the project agreement and pay compensation on the basis of termination for force majeure (see below under "Termination of Project Agreements"). There can be no guarantee that a project company will be able to fully repay its debt, which may have a material adverse effect on the Group.

Incomplete transfer of operating risk

The financial models for project companies are typically based on the fact that many of the risks of operating the relevant concessions are substantially assumed by subcontractors. The project companies may be exposed to cost or liability where this does not happen, for example, as a result of limits of liability, default by or the insolvency of a contractor or defective contractual provisions. Where a project company is exposed to such a cost or liability, it may adversely affect the income received by the Group and the value of the Group's assets.

Reliance on sub-contractors

The performance of project companies is, to a considerable degree, dependent on the performance of its sub-contractors. If a project company is required to replace a key sub-contractor (including a facilities manager) due to the insolvency of that sub-contractor or for any other reason, the replacement sub-contractor may charge a higher price for the relevant services than the project company paid previously. The resulting increase in the costs of the project company may adversely affect its ability to service its debt to the Group. This may adversely affect the income received by the Group and the value of the Group's assets.

Subcontractor liability limits

Where project companies have entered into subcontracts, the subcontractors' liabilities to a project company for the risks they have assumed will often be subject to financial limits and it is possible that these limits may be exceeded in certain circumstances. Any loss or expense in excess of such a cap would be borne by the project company, unless covered by the project company's insurance. This may adversely affect the income received by the Group and the value of the Group's assets.

Building defects

Project companies will typically subcontract design and construction activities in respect of projects. The subcontractors responsible for the construction of a project asset will normally retain liability in respect of design and construction defects in the asset for a statutory period following the construction of the asset, subject to liability caps. In addition to this financial liability, the construction subcontractor will also often have agreed an obligation to return to site in order to carry out any remedial works required for a pre-agreed period. Following the expiry of these limitation periods, an infrastructure project company will not normally have recourse to any third party for any defects which arise thereafter. Any potential defect may affect the ability of the infrastructure asset to generate revenue or may require additional capital expenditure to repair such defect, which in each case may adversely affect the ability of the project company to service its senior debt, and thus could adversely affect the income received by the Group and the value of the Group's assets.

Benchmarking

A project may provide for the market-testing (sometimes referred to as benchmarking) of the costs of providing certain services in order to more accurately set the level of payments to be made under the relevant project agreement. This may expose the project company to potential losses arising from changes in its costs relative to the charges that it is entitled to receive as a result of the benchmarking process. This would

potentially affect the ability of the project company to service its debts, thereby adversely affecting the income received by the Group and the value of the Group's assets.

Lifecycle costs

A project will often provide for the replacement or refurbishment of certain items of equipment. The timing of such replacements or refurbishments is a key aspect of the cashflow forecasting assumed by the Group in assessing the ability of the project company to service its debts. Where such replacements or refurbishments occur earlier than projected, or cost more than expected, the free cashflow arising to the project company may be reduced, potentially affecting its ability to service its debt. This may adversely affect the income received by the Group and the value of the Group's assets.

Employment-related liabilities

It is occasionally the case that a project company has its own employees, in which case it may be exposed to potential employer liabilities (including in respect of pension entitlements) under applicable legislation and regulations, which could have adverse consequences for a project company. Such consequences may adversely affect the income received by the Group and the value of the Group's assets.

Counterparty default

A project company may be exposed to credit risk from a wide range of counterparties including, but not limited to:

- the entity (such as a public sector body) that granted the concession and is responsible in whole or in part for providing the project company with its revenues or with guaranteeing certain liabilities or risks associated with the project (such as compensation for the early termination of a concession agreement);
- subcontractors providing a range of services including facilities management companies, operation and maintenance companies, SPV management and administration, construction companies and others;
- insurance companies; and
- banks providing bank accounts for the project company or hedging arrangements for currency or exchange rate risks.

In the event of a counterparty default, there may be significant difficulties for the project company in finding an alternative or replacement counterparty on the same or better terms, and in some cases would immediately expose the project company to financial loss, in which circumstances the value of the Group's assets could be adversely affected.

Other counterparty risks

The Group may make debt investments from time to time in loan assets which are held on existing lenders' books, for example, where the Group invests in a loan participation, or where it guarantees the performance of a project company to an existing lender (typically a bank) in return for a fee, with such a guarantee collateralised by a deposit held by the existing lender. In such an event, a default by the counterparty may expose the Group to losses regardless of the performance of the underlying projects or loans, including the potential for the principal value of the investment to be lost.

Construction risks

The Group makes debt investments in projects that have not yet completed the construction phases of their concessions and which are not yet cash generative. Should there be any delay in completion of the construction phase in relation to any such project or any "overrun" in the costs of construction, there is a risk that the ability of the project company to service its debts will be lower than expected. Any resultant default may have an adverse effect upon the income received by the Group and the value of the Group's assets.

Defects in contractual documentation

The contractual arrangements for infrastructure projects are structured so as to minimise the risks inherent in projects that are retained by infrastructure project companies. However, despite technical and legal review, the contractual documentation may be ineffective in distributing or mitigating risks to the degree expected, resulting in unexpected costs or reductions in revenues which could adversely affect the returns to the Group. Due to commonalities in the drafting of such contractual documentation, such issues could affect a number of investments in which the Group may invest.

Supply risk

Many projects (particularly in the power sector) are reliant on the supply of raw materials or commodities for their continued operation. However, the relevant commodities may suffer from price volatility or simply be unavailable. A project can sometimes partially mitigate against these risks by executing a long-term supply agreement in respect of the required commodity at a pre-agreed price. Any failure of the counterparty under such a long-term supply contract or generally of a project company to procure the supply of necessary commodities could have a negative impact on the project which could, in turn, negatively affect the principal value of the Investments.

Merchant risk

Power and renewable energy projects may be reliant on selling some or all of their electricity over time in the “spot” markets, and are therefore exposed to the future price of electricity. To the extent that the actual price of electricity is lower than originally forecast, the project company’s ability to service its debt will be adversely affected, which in turn will have an adverse effect on the value of the Investments.

Political risk

Although mitigated to a certain extent by the choice of jurisdictions where the Group will invest (see paragraph 11.2 of Part 2), all projects face some level of political risk. These can, without limitation, range from imposition of currency transfer restrictions to other adverse changes to the legal, taxation or other regulatory environment in which the project operates. Should the legal, taxation or other regulatory environment of the jurisdiction in which the project operates change in a way which is adverse to the project, this may have an adverse effect upon the income received by the Group and the value of the Group’s assets.

Default of licence or concession agreement

Many borrowers are reliant on licences or concession agreements in order to operate their businesses or projects. Any default by such borrowers of the terms of such licences or concession agreements may result in their termination, which is likely to have a significant and adverse effect on the borrower’s ability to continue to operate, and therefore to service its debt.

Risks associated with lending to PPP/PFI companies

Termination of PPP/PFI project agreements

Project agreements for PPP/PFI infrastructure projects may be terminated in certain circumstances, as a result of, for example, default by a borrower or the commission of a corrupt or fraudulent act by a borrower, shareholder or contractor in relation to a project agreement. The compensation that a borrower may receive on termination will depend on the reason for termination but in some circumstances (such as termination for force majeure events) the compensation received may be insufficient to repay in full the debts of the borrower which may, in turn, negatively affect the principal value of the Investments.

Change in infrastructure funding policy

PPP/PFI is not the only means of funding infrastructure projects and the use of such funding mechanisms in the future may decrease. If there is such a change in policy, there is a risk that public bodies may seek to terminate existing PFI-type projects and, while such termination may be contemplated in the transaction documentation, there can be no guarantee that the Group will recover the full market value of its Investments in those circumstances. Any failure by the Group to recover the full market value of its Investments may

result in a reduction in the value of the Group's assets. Additionally, any changes in policy could reduce the future availability of appropriate assets.

Untested nature of long-term PPP/PFI operational environment

Given the long-term nature of PPP/PFI infrastructure projects, there is, as yet, limited experience of the long-term operational problems that may be experienced in the future and which may affect PPP/PFI infrastructure projects and project companies. Any such problems may, in turn, adversely affect the Group's investment returns.

Specific risks relating to the Group's Investments in the renewable energy sector

Renewable energy-related transactions

Governments generally provide a range of incentives and subsidies for specific types of renewable energy projects, for example in the UK "feed-in" tariffs and the renewable heat incentive (where energy producers are guaranteed a minimum price for their output, typically above market rates) and the Renewables Obligation Certificate (ROC) system (which requires electricity suppliers to supply minimum levels of renewable source electricity or make buy-out payments into a central fund). Changes in the application of government policy in relation to the incentives and subsidies that they provide may have a material impact upon the profitability of renewable energy projects. Furthermore, the generation of power from renewable energy sources tends to be reliant upon relatively recent technological developments (or the application thereof), and therefore unforeseen technical deficiencies with installations may occur; and although such deficiencies may be covered by supplier warranties, the value of such warranties, if any, may be adversely affected by, for example, time limitations on such warranties or credit events in relation to the relevant supplier.

Some borrowers may utilise relatively new or developing technologies. There may be issues in relation to those technologies that become apparent only in the future. Such issues may give rise to additional costs for the relevant borrower or may otherwise result in the financial performance of the relevant borrower being poorer than is anticipated. This may adversely affect the value of and returns generated by the Investments. Additionally, technological advances in the future may reduce the competitive efficiency of installations commissioned now.

Moreover, the reliance of any renewable energy project, or group of projects, on a variable resource as its feedstock (for example, ambient light in the case of solar power projects, wind speed in the case of wind power projects and waste in the case of waste-to-energy projects) may affect the profitability of a site or sites. Finally, in the event of a failure of a utility or other private company contracted to purchase power produced by an installation in which the Group has invested, difficulties may arise in contracting with a replacement power purchaser. All of these risks relating to Investments in renewable energy projects could have an adverse effect upon the income received by the Group and the value of the Group's assets.

Risks associated with lending to infrastructure asset-owning companies

Operational risk

Typically, infrastructure asset-owning companies are special purpose companies that have no employees. Their operations are therefore undertaken by third-party companies, often referred to as "servicers", under a contractual relationship. These operations can include, but are not limited to: leasing and re-leasing the assets; asset monitoring; asset maintenance (unless that is the responsibility of the lessees of the assets); insurance collection of lease receivables; cash management; asset sales and purchases and investor reporting. If the servicer fails to perform its role competently it may as a result cause the borrower to suffer financial loss, impairing its ability to service its debt which may adversely affect the income received by the Group and the value of the Group's assets.

If a servicer defaults on its obligations (whether financial or operational), it may be necessary for the borrower to find a replacement servicer. This process may take a prolonged period of time and there is no certainty that an adequate replacement can be found or at what cost. This may result in financial losses for

the borrower, impairing its ability to service its debt which may adversely affect the income received by the Group and the value of the Group's assets.

Lessee risk

Infrastructure asset-owning companies may generate revenues from their assets by leasing them to one or more companies. Such leases can take a range of forms including short and long-term operating leases, financial leases and charters of various types. The infrastructure borrower is exposed to counterparty credit risk in relation to these lessees and the insolvency of one or more lessees may result in financial loss to the borrower which may adversely affect the income received by the Group and the value of the Group's assets.

Recovery of assets

Some infrastructure assets, especially in those in the transportation sector such as shipping and aircraft, are by their nature moveable and, following the default of the lessee, the servicer will need to physically recover the assets before it can re-lease them. Depending upon the location of the assets at the time of default, their recovery may present the servicer with technical, logistical or legal difficulties which may increase the time taken to re-lease the asset and/or introduce additional costs that will be borne by the borrower. Additionally, in relation to some asset types such as aircraft, the assets may attract fleet liens or other encumbrances that relate not just to that asset but to the lessee's entire fleet, and removing these liens after the insolvency of the lessee may expose the lessor to substantial costs. Such delays or costs may reduce the ability of the borrower to service its debt and this may adversely affect the income and principal re-payments due to be received by the Group from the borrower and the value of the Group's assets.

Re-leasing risk

In certain cases, an infrastructure borrower will need to re-lease its assets over the course of their life. This could occur, for example, following the default of a lessee, or if the initial leases mature before the debt that is secured on them is fully repaid. The ability of the servicer of the assets to re-lease them will be dependent upon many complex factors outside their control and outside the control of the Group. These factors could include, but are not limited to:

- general economic conditions;
- the age and condition of the assets at the time of the re-leasing;
- technological and regulatory changes that may occur in the future; and
- the skill of the servicer in identifying and negotiating the re-leasing.

To the extent that the servicer cannot find replacement lessees for the infrastructure assets, or the terms of the replacement leases are worse than originally anticipated, the ability of the borrower to service its debt may be impaired. This may adversely affect the income received by the Group and the value of the Group's assets.

Valuation

The infrastructure assets are typically valued by third party specialist valuation firms, both initially when the borrower raises its debt, and in some cases periodically over the life of the debt. This valuation is used to size the amount of debt that the borrower can raise as well as its amortisation schedule and the residual amount of debt, if any, outstanding at the debt's maturity. To the extent that the valuation overstates the true value of the assets, the borrower may have difficulties in repaying its debt and this may adversely affect the income received by the Group and the value of the Group's assets.

Depreciation and residual value risk

Some infrastructure assets, for example rolling stock and aircraft, have a finite economic life and therefore their value will decrease over time. When assessing such Investments, the Investment Adviser and/or Investment Manager will make assumptions about the rate of depreciation of the asset. To the extent that the

actual rate of depreciation is higher than that assumed, the future value of the assets will be lower than anticipated.

In certain cases the debt secured on infrastructure assets may not fully amortise over time out of leasing income and may therefore be dependent upon the ability of the borrower to either sell or re-finance those assets in order to repay its debt at maturity. If the value of the assets has declined by more than expected over time the borrower may be unable to repay the debt at maturity and this may adversely affect the income received by the Group and the value of the Group's assets.

Risks associated with investing in rated bonds and loans

Ratings

The Group may invest in rated bonds and loans and in such cases, the withdrawal of such ratings, or an actual or expected downgrade, on the bonds may result in a decline in the market value of the bonds or loan, and a reduction in their secondary market liquidity. In such cases, the value of the Group's assets may decline.

Risks associated with investing in subordinated and mezzanine debt

Senior debt covenant breach risk

The covenants provided by a borrower in favour of its senior lenders are generally extensive and a breach of one or more of such covenants may result in payments to a subordinated lender being suspended, and in some circumstances any amounts paid to the subordinated lender following any such breach may be repayable. Where such a breach or any other event leads to an event of default, the senior lenders will normally have the right to take control of the borrower and ultimately to sell it. In such event, the sale proceeds may be insufficient to repay in full the subordinated debt of the borrower, which would result in a loss being suffered by the Group.

Subordinated debt is exposed to a geared loss

Following a default by a borrower, its senior lenders will have a priority claim on cashflow generated by the company (whether arising through its continuing operation or from the disposal of the assets of the business) or on the assets of the borrower in the event of insolvency or on enforcement of security. A subordinated lender will often only receive cashflow once the senior lenders have been repaid in full, including accrued interest owing to them and in some cases compensation for the early prepayment of their debt. A relatively small decline in a borrower's assets could therefore create a disproportionately large loss for a subordinated lender, including potentially the full loss of the subordinated lender's investment, which would adversely affect the income received by the Group and the value of the Group's assets.

Structurally subordinated loans to regulated UK utilities

In the case of UK utilities, loans advanced to the borrower bear, in addition to the normal risks of subordination, additional risks arising from the UK regulatory framework. Specifically, following a breach of certain licence conditions (which could include the downgrade of the regulated utility to sub-investment grade), the regulator has the right to place the utility into "Special Administration" which would be likely to result in the suspension of dividend payments out of the regulated utility. This would adversely affect the ability of the borrower to service its debt which would adversely affect the income received by the Group and the value of the Group's assets.

G. Risks relating to taxation and regulation

The Group is exposed to changes in tax laws, accounting standards or regulation, or their interpretation

The fund structure through which the Group initially intends to invest, whilst designed to maximise post-tax returns to investors, is based upon current law and practice and accountancy regulations and practice in Guernsey, Luxembourg and the UK. Such law or practice is subject to change and any such change may potentially reduce the post-tax returns to Shareholders, for example in the event of the imposition of withholding or other additional taxes on income or gains in respect of the underlying investments of the Subsidiary or the distributions by the Subsidiary to the Company. Any such changes may potentially be enacted with retrospective effect.

The Company and the Subsidiary is exposed to changes in its tax residence and changes in the tax treatment of arrangements relating to its business or Investments.

If either the Company or the Subsidiary were treated as resident, or 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 the 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 performance of the Group and returns to Shareholders.

Although the Company is established outside the United Kingdom and two of the four Directors of the Company live outside the United Kingdom, continued attention must be given to ensure that major decisions are not made in the United Kingdom or the Company may be regarded as having a business or other fixed establishment in the United Kingdom. As such, management errors may potentially lead to the Company being considered to have an establishment in the United Kingdom making it subject to United Kingdom VAT which may adversely affect the financial condition of the Company, results of operations, the value of the Ordinary Shares and/or the return to the Shareholders.

OECD consultation on changes in tax law

Prospective investors should be aware that the Organisation for Economic Co-operation and Development (“OECD”) published its Action Plan on Base Erosion and Profit Shifting (“BEPS”) in 2013 which relate to, amongst other things, restricting the deductibility of interest payments (Action 4), preventing the granting of tax treaty benefits in inappropriate circumstances (Action 6) and preventing the artificial avoidance of permanent establishment status (Action 7).

All of the action points have been subject to public consultation and the OECD have now published its final reports and an explanatory statement outlining consensus actions. The BEPS is expected to generate changes to tax policy and systems in numerous jurisdictions. Whilst some jurisdictions have already taken steps to implement some of the actions, it is not yet known when all the actions will be implemented and which countries will implement them. Depending on how BEPS is introduced, any changes to tax laws based on recommendations made by the OECD in relation to BEPS may result in additional reporting and disclosure obligations for investors and/or additional tax being suffered by Borrowers and/or the Group which may adversely affect the creditworthiness of the Borrowers, the value of the investments held by the Group and/or the market price of the Shares.

Offshore funds rules

The Directors consider that the Company should not constitute an “offshore fund” for the purposes of Part 8 of TIOPA, as the Company is closed-ended with an unlimited life. In addition, it is not intended that arrangements will be operated in respect of the Company so that investors can expect to realise their investment at or close to Net Asset Value other than in the event of a winding up of the Company.

The Directors will use reasonable endeavours (but without liability) to monitor the Company’s status in this regard. Changes in the Company’s tax status or tax treatment may adversely affect the Company and if the Company becomes subject to the UK offshore funds rules in Part 8 of TIOPA, there may be adverse tax consequences for UK tax resident Shareholders.

Non-Mainstream Pooled Investments (“NMPs”)

The Company has been advised that the Ordinary Shares can be considered as “excluded securities” for the purposes of the FCA rules regarding the definition and promotion of NMPs because the Company would be capable of qualifying as an investment trust if it were resident in the UK, and therefore the Board believes that its Ordinary Shares will be excluded from the restrictions contained in the FCA’s rules on NMPs.

It is the Board’s intention that the Company will make all reasonable efforts to continue to conduct its affairs in such a manner so that its Ordinary Shares can be recommended to ordinary retail investors in accordance with the FCA’s rules relating to non-mainstream pooled investment products. However, the Board has however been advised that no guidance on the application of the NMPI rules to non-UK companies has been

published by the FCA and, further, that the rules may be subject to change. The Company will make an announcement should the FCA issue further guidance or amend the NMPI rules in a way which affects the Company's view on the application of the NMPI rules to the Company.

Local laws or regulations may mean that the status of the Company or of the Ordinary Shares and the is uncertain or subject to change, which could adversely affect investors' ability to hold Ordinary Shares

For regulatory, tax and other purposes, the Company and/or the Ordinary Shares may be treated differently in different jurisdictions. For instance, in certain jurisdictions and for certain purposes, the Ordinary Shares may be treated as units in a collective investment scheme. Furthermore, in certain jurisdictions, the status of the Company and/or the Ordinary Shares may be uncertain or subject to change, or it may differ depending on the availability of certain information or as a result of disclosures made by the Company. Changes in the status or treatment of the Company and and/or the Ordinary Shares may have unforeseen effects on the ability of investors to hold Ordinary Shares or the consequences to investors of doing so.

The AIFMD may impair the ability of the Investment Manager and/or the Investment Adviser to manage investments of the Group, which may materially adversely affect the Company's ability to implement its Investment Policy and achieve its investment objective

The AIFMD, which was required to have been transposed by EU member states into national law on 22 July 2013, imposed a new regime for EU managers of AIFs and in respect of marketing of AIFs in the EU. The AIFMD has been transposed in the UK by the UK AIFMD. Subject to transitional provisions, the AIFMD requires that EU AIFMs of AIFs are authorised and regulated as such.

Based on the provisions of AIFMD and the AIFM Regulations, the Board considers that the Company is an AIF within the Annex III scope of AIFMD and the AIFM Regulations. The Company intends to operate as an externally managed AIF, with the Investment Manager being the Company's AIFM.

The Investment Manager will need to comply with various operational and transparency obligations in relation to the UK AIFMD. In complying with these obligations, the Company may be required to provide additional or different information to or update information given to Shareholders and appoint or replace external service providers that the Company intends to use, including those referred to in this document. In addition, in requiring AIFMs to comply with these organisational, operational and transparency obligations, the UK AIFMD is likely to increase management and operating costs, in particular regulatory and compliance costs, of the Company and the Investment Manager.

IMPORTANT INFORMATION

In assessing an investment in the Company, investors should rely only on the information in this Prospectus. No person has been authorised to give any information or make any representations in relation to the Company 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 by the Company, the Directors, the Investment Manager, the Investment Adviser, the Sponsor or any other person. Neither the delivery of this Prospectus nor any subscription of Ordinary Shares or Placing Programme Shares shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

General regulatory information

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

Guernsey regulatory information

The Company is a registered closed-ended investment scheme registered pursuant to POI Law and the Scheme Rules. The GFSC, in granting registration, has not reviewed this Prospectus but has relied upon specific warranties provided by the Administrator, 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.

It should be remembered that the price of the Ordinary Shares and the income from them can go down as well as up.

Investment considerations

The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, investment or any other matters. Potential investors should inform themselves as to:

- the legal requirements within their own countries for the subscription for, purchase, holding, transfer or other disposal of Ordinary Shares and/or Placing Programme Shares (as applicable);
- any foreign exchange restrictions applicable to the subscription for, purchase, holding, transfer or other disposal of Ordinary Shares or Placing Programme Shares which they might encounter;
- the income and other tax consequences which may apply in their own countries as a result of the subscription for, purchase, holding, transfer or other disposal of Ordinary Shares or Placing Programme Shares; and
- potential investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Typical investors in the Company are expected to be institutional and sophisticated investors and private client brokers acting on behalf of private wealth clients.

This Prospectus should be read in its entirety before making any investment in Ordinary Shares or Placing Programme Shares. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Memorandum and Articles, which investors should review.

Forward-looking statements

This Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company’s actual results to differ materially from those indicated in these statements. These factors include, but are not limited to, those described in the part of this Prospectus entitled “Risk Factors”, which should be read in conjunction with the other cautionary statements that are included in this Prospectus. Any forward-looking statements in this Prospectus reflect the Company’s current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company’s operations, results of operations and growth strategy. For the avoidance of doubt, nothing in this paragraph qualifies the working capital statement set out in paragraph 12 of Part 12 of this Prospectus.

These forward-looking statements apply only as of the date of this Prospectus. Subject to any obligations under the Prospectus Rules, the Listing Rules and the Disclosure Guidance and Transparency Rules, none of the Company, the Directors, the Investment Manager, the Investment Adviser or Stifel undertakes an obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. Potential investors should specifically consider the factors identified in this Prospectus which could cause actual results to differ before making an investment decision.

Presentation of information

Market, economic and industry data

Market, economic and industry data used throughout this Prospectus is derived from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, 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 “Sterling”, “pounds Sterling”, “£”, “pence” or “p” are to the lawful currency of the UK.

No incorporation of Company’s Website

The contents of the Company’s Website do 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 subscribe for Ordinary Shares.

Definitions

A list of defined terms used in this Prospectus is set out at pages 213 to 226.

Governing law

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England or Guernsey (as appropriate) and are subject to changes therein.

Selling Restrictions

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

qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of Shares and the distribution of this Prospectus under the laws and regulations of any jurisdiction in connection with any applications for Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction. Save for the UK, no action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus other than in any jurisdiction where action for that purpose is required.

For a description of restrictions on offers, sales and transfers of Ordinary Shares, please also refer to paragraph 14 of Part 7 of this Prospectus. For a description of restrictions on offers, sales and transfers of Placing Programme Shares, please also refer to paragraph 7 of Part 16 of this Prospectus

In addition, potential investors should note that, except with the express written consent of the Company given in respect of an investment in the Company, the Shares may not be acquired by: (i) investors using assets of: (A) an “employee benefit plan” that is subject to Part 4 of Title I of ERISA; (B) a “plan” to which Section 4975 of the U.S. Tax Code applies; or (C) an entity whose underlying assets are considered to include “plan assets” by reason of investment by an “employee benefit plan” or “plan” described in the preceding clauses (A) or (B) in such entity; or (ii) a governmental plan, church plan, or non-U.S. plan that is subject to a Similar Law, unless its purchase, holding, and disposition of the Shares will not constitute or result in a violation of any Similar Law that prohibits or imposes an excise or penalty tax on the purchase of the Shares.

Austria

This document may not be made available nor may the Shares otherwise be marketed in Austria unless the Austrian Financial Market Authority (“FMA”) has approved the marketing of the shares in Austria pursuant to the Austrian Alternative Investment Fund Managers Act and, if applicable, the Austrian Capital Markets Act (*Kapitalmarktgesetz*). If the FMA has approved the marketing of the shares in Austria, this document may only be made available and the shares may only be marketed and/or offered for sale in Austria to professional investors as defined in MiFID and in circumstances which are exempt from the obligation to publish a prospectus in Austria.

Bailiwick of Guernsey

This document may only be distributed or circulated directly or indirectly in or from within the Bailiwick of Guernsey (i) by persons licensed to do so by the GFSC under the POI Law; or (ii) to persons licensed under the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Business and Company Directors etc. (Bailiwick of Guernsey) Law 2000.

Denmark

The Company is an alternative investment fund and the Investment Manager is an AIFM for purposes of the AIFMD. The Company has been approved for marketing in Denmark by the Danish Financial Supervisory Authority pursuant to Section 130 of the Danish AIFM Act so that the Company may be marketed to professional investors within the meaning of the Danish AIFM Act only. This Prospectus must not be distributed to, or relied upon by, investors in Denmark in any other circumstances.

Furthermore, this Prospectus does not constitute a prospectus under any Danish laws or regulations and has not been filed with or approved by the Danish Financial Supervisory Authority as this Prospectus has not been prepared in the context of a public offering of securities in Denmark within the meaning of the Danish Securities Trading Act or any Executive Orders issued in connection thereto.

In accordance with the exemption from the prospectus requirements, this Prospectus will only be directed to qualified investors as defined in Section 2 of the Danish Executive Order no. 1104/2014.

European Economic Area

In relation to each Relevant Member State, with effect from and including Relevant Implementation Date, an offer of Ordinary Shares and Placing Programme Shares described in this Prospectus may not be made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Shares that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, unless, with effect from and including the Relevant Implementation Date:

- the offer is exclusively intended for Qualified Investors;
- the offer is made to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of Directive 2010/73/EU, 150 natural or legal persons (other than Qualified Investors); or
- the offer takes place under other circumstances in which the publication of a prospectus is not required under Article 3 of the Prospectus Directive, to the extent that this exemption has been implemented in the Relevant Member State.

Each purchaser of Ordinary Shares and/or Placing Programme Shares described in this Prospectus located within a Relevant Member State (other than the United Kingdom) will be deemed to have represented, acknowledged and agreed that it is a Qualified Investor.

For the purposes of this provision, the expression an “**offer to the public**” in relation to any offer of Ordinary 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 Ordinary Shares and/or Placing Programme Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares and/or Placing Programme Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

This Prospectus may not be used for, or in connection with, and does not constitute, any offer of Ordinary Shares and/or Placing Programme Shares or an invitation to purchase or subscribe for Ordinary Shares and/or Placing Programme Shares in any Relevant Member State or jurisdiction in which such an offer or invitation would be unlawful.

France

Neither this Prospectus nor any other promotional document in connection with the financial instruments issued by the Company has been granted the approval of the *Autorité des marchés financiers* (“**AMF**”).

The financial instruments issued by the Company are not offered to purchase or sell in the context of a public offer in France within the meaning of the French Monetary and Financial Code (“*Code Monétaire et financier*”) and of the general regulation of the AMF (“*Règlement général de l’AMF*”).

The communication of this Prospectus or of any other promotional document in connection with the financial instruments issued by the Company, and any offer to purchase or sell the said financial instruments can only be done to a limited circle of investors (“*cercle restreint d’investisseurs*”) in compliance with article L. 411-2, II of the French Monetary and Financial Code, subject however that such investors act on their own account.

This Prospectus and any other promotional document in connection with the financial instruments issued by the Company are strictly confidential and may not be distributed to any person or entity other than the recipient of this Prospectus.

The financial instruments issued by the Company can only be resold to the public subject to the compliance with the provisions of articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Monetary and Financial Code.

Germany

Neither the Ordinary Shares nor Placing Programme Shares will be offered, sold or placed or underwritten in Germany otherwise than in compliance with German law, in particular in compliance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*), the German Asset Investment Act (*Vermögensanlagegesetz*) and the KAGB. The Shares are only being offered to recipients to whom this Prospectus is personally and confidentially addressed (each an “**Addressee**”) and does not constitute an offer, a solicitation of an offer or an advertisement to any person or entity other than an Addressee. This memorandum and any other documents relating to the interests, as well as information contained and therein, may not be passed on to any person or entity other than an Addressee.

The Shares are not and are not intended to be distributed or marketed in Germany to any private investors as defined in section 1 paragraph 19 no 31 of the KAGB nor shall the distribution of this Prospectus constitute a public offer or public distribution to any such private investor. Only professional and if applicable, semi-professional investors as defined in section 1 paragraph 19 no 32 and 33 of the KAGB may acquire Shares.

Ireland

The Shares will not be offered, sold, placed or underwritten in Ireland:

- (a) except in circumstances which do not require the publication of a prospectus pursuant to Article 3(2) of Directive 2003/71/EC as implemented in Ireland pursuant to the Investment Funds, Companies and Miscellaneous Provisions Act 2005, the Prospectus (Directive 2003/71/EC) Regulations 2005 (S.I. No. 324 of 2005), as amended and any rules issued by the Central Bank of Ireland pursuant thereto;
- (b) otherwise than in compliance with the provisions of the Irish Companies Act 2014;
- (c) otherwise than in compliance with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No. 60 of 2007) (as amended), and the bookrunner(s) and any introducer appointed by the Company will conduct themselves in accordance with any codes or rules of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland with respect to anything done by them in relation to the Company;
- (d) otherwise than in compliance with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by the Central Bank of Ireland pursuant thereto; and
- (e) except to professional investors as defined in AIFMD and otherwise in accordance with AIFMD, Commission Delegated Regulation 231/2013, the Irish European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. no 257 of 2013), as amended, and any rules issued by the Central Bank of Ireland pursuant thereto.

Italy

This Prospectus is solely intended for the persons to whom it is delivered upon request and does not constitute an offer of securities in Italy. In addition, any person who is in possession of this Prospectus understands that no action has or will be taken which would allow an offering – whether private or public – of the Shares to take place in Italy. Accordingly, Shares may not be offered, sold or delivered and neither this Prospectus nor any other offering materials relating to the Shares may be distributed or made available to Italian investors unless upon their express request. Individual sales of the Shares to any person may only be made according to securities, tax and other applicable laws and regulations. The Shares have neither been nor will be registered under the relevant securities law of Italy.

Jersey

Consent under the Control of Borrowing (Jersey) Order 1958 has not been obtained for the circulation of this Prospectus. Accordingly, the offer that is the subject of this Prospectus may only be made in Jersey where the offer is not an offer to public or the offer is valid in the United Kingdom or Guernsey and is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom or Guernsey as the case may be. By accepting this offer each prospective investor in Jersey represents and warrants that he or she is in possession of sufficient information to be able to make a reasonable evaluation of the offer.

Liechtenstein

The information contained in this Prospectus is restricted and not for publication, release or distribution in Liechtenstein. The distribution of this Prospectus and the offering of Shares in Liechtenstein is restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in Liechtenstein or to any person to whom it is unlawful to make such an offer or solicitation.

Luxembourg

No offer of Shares to the public will be made in Luxembourg pursuant to this Prospectus, except that an offer of Shares to the public in Luxembourg may be made at any time:

- (a) to any person or legal entity which is a professional client as described in Annex II to MiFID; or
- (b) in any circumstances which do not fall under specific offer limitations under the AIFM Law and at the same time do not require the publication by the Company of a prospectus pursuant to Article 5 of the Prospectus Law;

provided in both cases (a) and (b) above the AIFM fulfils the requirements set out in the AIFM Law (in particular the notification obligation set out in Article 45 of the AIFM Law (Article 42 of the AIFMD) and the potentially applicable ongoing requirements). For the purposes of this provision, the expression “**offer of Shares to the public**” in relation to any Shares in Luxembourg means the communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Shares to be offered so as to enable an investor to decide to purchase or subscribe the Shares, the expression “**Prospectus Law**” means the law of 10 July 2005 relative aux prospectus pour valeurs mobilières, as amended.

Neither the Company nor its AIFM have been authorised or registered under the AIFM Law or are otherwise supervised by the Luxembourg Commission de Surveillance du Secteur Financier (“CSSF”).

Malta

Neither the Company nor the Investment Manager are licensed or subject to licensing in Malta by the Malta Financial Services Authority (the “**MFSA**”) under the Investment Services Act (Chapter 370 of the Laws of Malta) and are exempt from such licensing requirement in terms of Regulation 22 of the Investment Services Act (Alternative Investment Fund Manager) (Third Country) Regulations (L.N. 116 of 2013, as amended). Provided that distribution and marketing in Malta shall be strictly on a private placement basis in accordance with and subject to the said Regulation 22, which regulation has transposed Article 42 of AIFMD. No prospectus has been or will be published in Malta within the meaning of an offer of securities to the public as defined in the Companies Act (Chapter 386 of the Laws of Malta).

The offer of Shares in Malta is only permitted on a private placement basis as aforesaid, without involving any offer of securities to the public, and that no action has or will be taken which would allow an offering of the Shares to the public in Malta. Shares in the Company may be offered, issued and sold in Malta, and the Company and this Prospectus and any other offering materials relating to the Shares may be marketed and distributed in Malta exclusively to “professional investors” as defined in the AIFMD.

Prospective investors are not protected by any statutory compensation arrangements in Malta.

Sweden

The Company is an alternative investment fund and the Investment Manager of the Company is an AIFM for purposes of the AIFMD. The Investment Manager has been approved by the Swedish Financial Supervisory Authority pursuant to Chapter 5 Section 10 of the Swedish Act on Alternative Investment Fund Managers (2016:561) (the “**Swedish AIFM Act**”) to market the Company to professional investors in Sweden. The Company may be marketed to professional investors within the meaning of the Swedish AIFM Act only.

This Prospectus may only be distributed to professional investors and this Prospectus may not be distributed to or made available to non-professional investors in Sweden. Furthermore, this prospectus has not been, nor will it be, registered with or approved by the Swedish Financial Supervisory Authority under the Swedish Financial Instruments Trading Act (1991:980) (the “**Swedish Trading Act**”). Accordingly, this Prospectus may not be made available, nor may the interests in the Company offered hereunder be marketed and offered for sale in Sweden, other than under circumstances which do not require a prospectus (*Sw. prospekt*) to be prepared under the Swedish Trading Act.

Switzerland

The Fund has not been licensed for distribution with the Swiss Financial Market Supervisory Authority (“**FINMA**”) as a foreign collective investment scheme pursuant to Article 120 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended (“**CISA**”). Also, the Company has not appointed a Swiss paying agent and representative and therefore may not be distributed in Switzerland (as defined by Art. 3 para. 1 CISA). Accordingly, in Switzerland the Shares will only be offered and sold to prudentially regulated financial institutions pursuant to Article 10 para. 3 lit. a and b CISA; in addition, the Shares may be sold under the reverse solicitation-exemption pursuant to Article 3 para. 2 lit. a CISA. This Prospectus and any other offering material relating to the Ordinary Shares may only be handed out within these restrictions. Investors in the Shares do not benefit from the specific investor protection provided by CISA and the supervision by the FINMA.

The Shares are not publicly offered within the meaning of article 652a or 1156 of the Swiss Code of Obligations. As a consequence, this Prospectus is not a prospectus within the meaning of these provisions and may therefore not comply with the information standards required thereunder. This Prospectus is not a listing prospectus according to article 27 et seq. of the Listing Rules of the SIX Swiss Exchange and may therefore not comply with the information standards required thereunder or under the listing rules of any other Swiss stock exchange.

The Netherlands

The Shares will not be offered or sold, directly or indirectly, in the Netherlands.

United States

The Shares have not been and will not be registered under the U.S. Securities Act or under any laws of, or with any securities regulatory authority of any state or other jurisdiction of the United States and such Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States, and under circumstances that would not result in the Company being in violation of the U.S. Investment Company Act. There will be no offer or sale of the Shares in the United States.

The Company has not been and will not be registered under the U.S. Investment Company Act nor will either the Investment Manager or the Investment Adviser be registered as an investment adviser under the U.S. Investment Advisers Act. Consequently, investors will not be entitled to the benefits and protections of the U.S. Investment Company Act or the U.S. Investment Advisers Act.

The Shares are only being offered and sold outside the United States in offshore transactions to persons who are not U.S. Persons pursuant to Regulation S under the U.S. Securities Act, which provides an exemption from the requirement to register such offers and sales under the U.S. Securities Act. Neither the United States Securities and Exchange Commission nor any other U.S. federal or state securities commission has approved or disapproved of the Shares or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offense.

In addition, distributors and dealers (whether or not participating in the Issue) may not offer, sell or deliver Shares (A) at any time, as part of their distribution or (B) otherwise, until 40 days after the later of: (i) the commencement of the Issue; and (ii) the closing of the Issue, in the United States or to, or for the account or benefit of, U.S. Persons, and must provide each broker/dealer to which they sell any Shares in reliance on Regulation S during such 40-day period, a confirmation or other notice detailing the restrictions on offers and sales of such securities in the United States or to, or for the account or benefit of, U.S. Persons. Failure to adhere to these requirements may result in a violation of the registration requirements of the U.S. Securities Act.

DIRECTORS, AGENTS AND ADVISERS

| | |
|--|--|
| Directors (all non-executive) | Robert Jennings (<i>Chairman</i>) Jan Pethick Jonathan Bridel Sandra Platts |
| Administrator, secretary and registered office of the Company | Praxis Fund Services Limited Sarnia House Le Truchot St Peter Port Guernsey, GY1 1GR |
| Investment Adviser | Sequoia Investment Management Company Limited 11-13 Market Place London, W1W 8AH |
| Investment Manager | International Fund Management Limited Sarnia House Le Truchot St Peter Port Guernsey, GY1 1GR |
| Sponsor and Sole Bookrunner | Stifel Nicolaus Europe Limited 150 Cheapside London, EC2V 6ET |
| Legal Advisers to the Company as to English law | Jones Day 21 Tudor Street London, EC4Y 0DJ |
| Legal Advisers to the Company as to Guernsey law | Mourant Ozannes 1 Le Marchant St St Peter Port Guernsey, GY1 4HP |
| Legal Advisers to the Sponsor and Bookrunner | CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London, EC4N 6AF |
| Registrar | Computershare Investor Services (Guernsey) Limited 1st Floor Tudor House Le Bordage St Peter Port Guernsey, GY1 1DB |
| Reporting Accountants | PricewaterhouseCoopers CI LLP Royal Bank Place 1 Glategny Esplanade St Peter Port Guernsey, GY1 4ND |

| | |
|---|---|
| Auditors | KPMG Channel Islands Limited Glategny Court Glategny Esplanade St Peter Port Guernsey, GY1 1WR |
| Receiving Agent | Computershare Investor Services PLC Corporate Actions Projects Bristol, BS99 6AH |
| Operational Bankers | Royal Bank of Scotland International Limited 2nd Floor 1 Glategny Esplanade St Peter Port Guernsey, GY1 4BQ |
| Valuation Agent | PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT |
| Custodian | Bank of New York Mellon, London Branch One Canada Square London, E14 5AL |
| Subsidiary Corporate Services Provider | TMF Luxembourg S.A. 46A, Avenue J.F. Kennedy L-1855 Luxembourg, Grand Duchy of Luxembourg |
| Portfolio Administrator | Bank of New York Mellon SA/NV, Dublin Branch Hanover Building, Windmill Lane Dublin 2 Ireland |
| Depository | Bank of New York Mellon SA/NV, Asset Servicing Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main Germany |
| Account Bank | Bank of New York Mellon, London Branch One Canada Square London, E14 5AL |

EXPECTED TIMETABLE

All references to times in this Prospectus are to London times unless otherwise stated.

Open Offer

| | |
|---|--|
| Record Date for entitlements to participate in the Open Offer | 6.00 p.m. on 2 May 2017 |
| Ex-entitlement date for the Open Offer | 8.00 a.m. on 3 May 2017 |
| Open Offer opens | 8.00 a.m. on 3 May 2017 |
| Basic Entitlements and Excess CREST Open Offer Entitlements credited to CREST stock accounts of Existing CREST | As soon as practicable after 8.00 a.m. on 4 May 2017 |
| Recommended latest time for requesting withdrawal of Basic Entitlements and Excess CREST Open Offer Entitlements from CREST | 4.30 p.m. on 17 May 2017 |
| Latest time and date for depositing Basic Entitlements and Excess CREST Open Offer Entitlements into CREST | 3.00 p.m. on 19 May 2017 |
| Latest time and date for splitting Open Offer Application Forms (to satisfy bona fide market claims only) | 3.00 p.m. on 22 May 2017 |
| Latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate) | 11.00 a.m. on 24 May 2017 |

Ordinary Share Placing and Offer for Subscription

| | |
|---|----------------------------------|
| Ordinary Share Placing and Offer for Subscription open | 8.00 a.m. on 3 May 2017 |
| Latest time and date for receipt of completed Offer for Subscription Application Forms and payment in full under the Offer for Subscription | 3.00 p.m. on 24 May 2017 |
| Latest time and date for receipt of placing commitments under the Ordinary Share Placing | 12.00 p.m. (noon) on 25 May 2017 |

The Placing Programme

| | |
|--|--|
| Placing Programme opens | 3 May 2017 ⁵ |
| Earliest date for Placing Programme Shares to be issued pursuant to the Placing Programme | 3 May 2017 |
| Publication of Placing Programme Price in respect of each placing of Placing Programme Shares | As soon as practicable before closing of each Placing |
| Admission and crediting of CREST accounts in respect of each placing of Placing Programme Shares | 8.00 a.m. on each day Placing Programme Shares are issued |
| Dispatch of definitive share certificates | Approximately 14 days following (where applicable) Placing Programme Admission |
| Last date for Placing Programme Shares to be issued pursuant to the Placing Programme | 2 May 2018 |

⁵ No Placing Programme Shares will be issued prior to 85 per cent. of the proceeds of the Issue being invested or committed.

Other key dates

| | |
|---|--------------------------|
| Results of the Open Offer, Ordinary Share Placing and Offer for Subscription announced | 26 May 2017 |
| Admission of the Ordinary Shares to the Official List and commencement of dealings on the London Stock Exchange | 8.00 a.m. on 31 May 2017 |
| CREST accounts credited in respect of Ordinary Shares to be held in uncertificated form | On or around 31 May 2017 |
| Dispatch of definitive share certificates in respect of Ordinary Shares (where applicable) | On or around 2 June 2017 |

The dates and times specified above are subject to change. In particular, the Directors may (with the prior approval of Stifel) bring forward or postpone the closing time and date for the Issue. In the event that a date or time is changed, the Company will notify persons who have applied for Ordinary Shares or Placing Programme Shares of changes to the timetable either by post, by electronic mail or by the publication of a notice through a Regulatory Information Service. References to times are to London times unless otherwise stated.

ISSUE STATISTICS

| | |
|--|---|
| Issue Price per Ordinary Share | 105.5 pence |
| Number of Ordinary Shares being issued | target issue of 119,172,138 Ordinary Shares |
| Estimated initial Adjusted NAV per Ordinary Share ¹ | 101.36 pence |
| Estimated Gross Issue Proceeds ² | target gross proceeds of approximately £125 million |
| Estimated Net Issue Proceeds ³ | target net proceeds of £123.5 million |
| ISIN of the Ordinary Share Placing and Offer for Subscription Ordinary Shares | GG00BV54HY67 |
| SEDOL of the Ordinary Share Placing and Offer for Subscription Ordinary Shares | BV54HY6 |
| ISIN of the Basic Entitlements | GG00BDHYT202 |
| SEDOL of the Basic Entitlements | BDHYT20 |
| ISIN of the Excess CREST Open Offer Entitlement | GG00BDHYT319 |
| SEDOL of the Excess CREST Open Offer Entitlement | BDHYT31 |
| Ticker for the Ordinary Shares | SEI |

PLACING PROGRAMME STATISTICS

| | |
|---|--|
| Maximum number of Placing Programme Shares being made available under the Placing Programme | 200 million |
| Placing Programme Price | NAV per Ordinary Share plus a premium ⁴ |
| ISIN of the Ordinary Shares | GG00BV54HY67 |
| SEDOL of the Ordinary Shares | BV54HY6 |

Notes:

1. The Adjusted NAV is calculated as the NAV as at 11 April 2017 less the dividend of 1.5 pence per Ordinary Share in respect of the period to 31 March 2017.
2. Assuming that the Company issues 119,172,138 Ordinary Shares pursuant to the Issue. The Directors may, at their discretion, issue up to 151,658,768 Ordinary Shares pursuant to the Issue.
3. Assuming that the Company issues 119,172,138 Ordinary Shares pursuant to the Issue and based on the estimated expenses of the Issuer set out in paragraph 20 of Part 2 of this Prospectus.
4. The Placing Programme Shares will be issued at an issue price calculated by reference to the NAV per Ordinary Share at the time of allotment together with a premium intended to cover the costs and expenses of the Placing (including, without limitation, any placing commissions) and the initial investment of the amounts raised.

PART 1

INVESTMENT OBJECTIVE AND POLICY

Provided that the requirements of Listing Rule 15.4.8 are met, including receipt of approval from Shareholders, the Investment Adviser has proposed that the current jurisdictional diversification limit for the United States (set out below) be increased *from 50 per cent. to 60 per cent.* The Board is of the opinion that the above change is the only material amendment to the Investment Policy.

The Investment Adviser is seeing a growing amount of attractive opportunities in the U.S. due to a combination of macroeconomic and political factors. The immediate asset pipeline contains £100 million equivalent worth of North American investments. These projects are spread across the Telecommunication, Media and Technology Infrastructure, Power and other infrastructure sectors of the Investment Policy. Currently, the Investment Adviser has limited the number of projects in the United States in the Company's pipeline due to the current 50 per cent. maximum constraint contained in its Investment Policy, and the Directors believe an increase to 60 per cent. would benefit the portfolio by accessing a wider range of transactions, with attractive risk/return profiles.

The U.S. economy has continued to benefit from low and falling unemployment and recently three-month U.S. Dollar LIBOR has risen above one per cent. for the first time since 2009. Additionally, any stimulus program centred around tax cuts has the potential to lead to an increase in private-sector lending to infrastructure projects in the U.S. Finally, the U.S. President has announced a US\$1 trillion infrastructure spending target (over several years) which is expected to require a sizeable private-sector contribution.

The flexibility to increase the concentration of U.S. assets in the portfolio should allow the Company to consider a broader set of opportunities when deploying future proceeds.

The full text of the Company's Investment Policy and the proposed investment policy are set out below. The changes proposed have been underlined. To the extent that Shareholder approval is obtained, the Company's Investment Policy going forward, will be reflected by the proposed investment policy in the right column of pages 66 to 68. If the Company does not receive the approval from the Shareholders, the Company's Investment Policy will be reflected by the current Investment Policy set out on the left column of pages 66 to 68.

1. Current investment objective

The Company's investment objective is to provide investors with regular, sustained, long term distributions and capital appreciation from a diversified portfolio of senior and subordinated economic infrastructure debt investments. This objective is subject to the Group having a sufficient level of investment capital from time to time and the ability of the Group to invest its cash in suitable investments and is subject to the Investment Criteria.

2. Current asset allocation

The Company's objective is to maintain its portfolio so that not more than 10 per cent. by value of the Group's *Net Asset Value* (at the time of the investment) consists of securities or loans relating to any one individual infrastructure asset. In addition, the Company intends to invest directly or indirectly only in debt exposures that satisfy the following criteria, such investments to make up a minimum of 80 per cent. by value of the Group's investments at the time of investment ("**Investment Criteria**"):

- where all or substantially all of the associated underlying revenues are from Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, New Zealand, Norway, Poland, Portugal, Spain, Sweden, Switzerland, the Netherlands, the UK or the U.S., provided that any such jurisdiction is rated (in respect of its local currency sovereign ceiling) at the time of investment at least BBB by S&P or Baa3 by Moody's (each, an "**Eligible Jurisdiction**");
- where all or substantially all of the associated underlying revenues are from business activities in the sectors below. In addition to the sub sectors mentioned below, the Group may invest in other sub-sectors within the sectors listed where considered appropriate:

| Sector | Example of typical sub-sectors |
|--------------------------|---|
| Transport | (i) roads*; (ii) rail*; (iii) airports*; and (iv) ports* |
| Transportation equipment | (i) aircraft; (ii) rolling stock; and (iii) shipping |
| Utilities | (i) water and waste*; (ii) electricity distribution and transmission*; (iii) electricity supply; (iv) gas distribution and transmission*; and (v) pipelines* |

Proposed investment objective

The Company's investment objective is to provide investors with regular, sustained, long term distributions and capital appreciation from a diversified portfolio of senior and subordinated economic infrastructure debt investments. This objective is subject to the Group having a sufficient level of investment capital from time to time and the ability of the Group to invest its cash in suitable investments and is subject to the Investment Criteria.

Proposed asset allocation

The Company's objective is to maintain its portfolio so that not more than 10 per cent. by value of the Group's *investments* (at the time of the investment) consists of securities or loans relating to any one individual infrastructure asset. In addition, the Company intends to invest directly or indirectly only in debt exposures that satisfy the following criteria, such investments to make up a minimum of 80 per cent. by value of the Group's investments at the time of investment ("**Investment Criteria**"):

- where all or substantially all of the associated underlying revenues are from Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, New Zealand, Norway, Poland, Portugal, Spain, Sweden, Switzerland, the Netherlands, the UK or the U.S., provided that any such jurisdiction is rated (in respect of its local currency sovereign ceiling) at the time of investment at least BBB by S&P or Baa3 by Moody's (each, an "**Eligible Jurisdiction**");
- where all or substantially all of the associated underlying revenues are from business activities in the sectors below. In addition to the sub sectors mentioned below, the Group may invest in other sub-sectors within the sectors listed where considered appropriate:

| Sector | Example of typical sub-sectors |
|--------------------------|---|
| Transport | (i) roads*; (ii) rail*; (iii) airports*; and (iv) ports* |
| Transportation equipment | (i) aircraft; (ii) rolling stock; and (iii) shipping |
| Utilities | (i) water and waste*; (ii) electricity distribution and transmission*; (iii) electricity supply; (iv) gas distribution and transmission*; (v) pipelines* <i>and</i> (vi) <i>waste-to-energy</i> |

| Sector | Example of typical sub-sectors |
|--|--|
| Power | (i) power purchase contracts; and (ii) electricity generation |
| Renewable energy | (i) solar; (ii) wind; (iii) biomass; and (iv) waste-to-energy |
| Telecommunication, Media and Technology infrastructure | (i) mobile phone towers; (ii) fixed line networks; (iii) data centres; and (iv) satellites |
| Infrastructure accommodation | (i) student accommodation; and (ii) elderly care facilities |

Note: Each sub sector marked with a “*” is a “Major Sub-Sector”.

- predominantly, but not exclusively, operational projects, since the Investment Adviser believes that once an infrastructure asset has been constructed and the contracted cashflows relating to the project have commenced, many of the risks associated with investments in such assets are significantly reduced;
- in excess of half of its portfolio once fully invested to be floating rate (including fixed rate instruments converted to floating rate cashflows through asset swaps) or inflation linked debt although investments will be a combination of floating rate, fixed rate and inflation linked instruments; and
- structured as loans, notes and bonds.

3. Current risk diversification

The following concentration limits on investments have been set by the Directors (the “Investment Concentration Limits”):

| Maximum individual exposure | Diversification by sector | Diversification by sub-sector | Jurisdictional diversification | Construction Risk |
|---|---|---|---|--|
| | (e.g., transport, utility, renewable etc.) | (e.g., road, airport etc.) | | |
| No more than 10% by value of NAV consists of exposure in any one individual asset | No single sector will represent more than 40% of total assets | No single sub-sector will represent more than 15% of total assets, other than for the Major Sub-Sectors which may represent up to 25% of total assets | No more than: 50% in the United States; 50% in Western Europe (ex-UK); 40% in the UK; and 20% in Australia and New Zealand combined | Pre-operational projects (which are typically projects in construction) will not represent more than 20% of the total assets |

Note: All concentration limits are applicable at the time of investment.

| Sector | Example of typical sub-sectors |
|--|--|
| Power | (i) power purchase contracts; and (ii) electricity generation |
| Renewable energy | (i) solar; (ii) wind; and (iii) biomass |
| Telecommunication, Media and Technology infrastructure | (i) mobile phone towers; (ii) fixed line networks; (iii) data centres; and (iv) satellites |
| Infrastructure accommodation | (i) student accommodation; and (ii) elderly care facilities |

Note: Each sub sector marked with a “*” is a “Major Sub-Sector”.

- predominantly, but not exclusively, operational projects, since the Investment Adviser believes that once an infrastructure asset has been constructed and the contracted cashflows relating to the project have commenced, many of the risks associated with investments in such assets are significantly reduced;
- in excess of half of its *invested* portfolio once fully invested to be floating rate (including fixed rate instruments converted to floating rate cashflows through asset swaps) or inflation linked debt although investments will be a combination of floating rate, fixed rate and inflation linked instruments; and
- structured as loans, notes and bonds.

Proposed risk diversification

The following concentration limits on investments have been set by the Directors (the “Investment Concentration Limits”):

| Maximum individual exposure | Diversification by sector | Diversification by sub-sector | Jurisdictional diversification | Construction Risk |
|--|---|---|--|---|
| | (e.g., transport, utility, renewable etc.) | (e.g., road, airport etc.) | | |
| No more than 10% of total assets in any one exposure | No single sector will represent more than 40% of total assets | No single sub-sector will represent more than 15% of total assets, other than for the Major Sub-Sectors which may represent up to 25% of total assets | No more than: 60% in the United States; 50% in Western Europe (ex-UK); 40% in the UK; and 20% in Australia and New Zealand combined, in each case, of total assets | Pre-operational projects (which are projects in construction and not yet generating revenue) will not represent more than 20% of the total assets |

Note: All concentration limits are applicable at the time of investment.

4. Current gearing and maximum exposures

The Company may, from time to time, utilise borrowings for share buybacks and short term liquidity or short term investment purposes (including, securities lending or repurchase agreements), but such borrowings will not exceed 20 per cent. of the Company's Net Asset Value.

5. Material change

In accordance with its obligations under the Listing Rules, the Company will obtain the prior approval of its Shareholders to make any material change to its published Investment Policy.

Proposed gearing and maximum exposures

The Company may, from time to time, utilise borrowings for share buybacks and short term liquidity or short term investment purposes (including, securities lending or repurchase agreements), but such borrowings will not exceed 20 per cent. of the Company's Net Asset Value.

Material change

In accordance with its obligations under the Listing Rules, the Company will obtain the prior approval of its Shareholders to make any material change to its published Investment Policy.

PART 2

THE GROUP

1. Introduction

The Company is a non-cellular company limited by shares, registered and incorporated in Guernsey under the Guernsey Companies Law on 30 December 2014 with registration number 59596. The Ordinary Shares are denominated in Sterling. Applications will be made to (i) the UK Listing Authority for all the Ordinary Shares to be issued pursuant to the Issue to be admitted to the premium segment of the Official List; and (ii) the London Stock Exchange for all such Ordinary Shares to be admitted to trading on the Main Market. It is expected that Admission will become effective and dealings will commence on or around 31 May 2017.

The IPO of the Company took place on 3 March 2015, raising gross proceeds of approximately £150 million. The Company carried out an open offer, placing and offer for subscription of C Shares in November 2015 which raised gross proceeds of approximately £147 million. Those C Shares converted into Ordinary Shares in March 2016 at a ratio of 1.0375 Ordinary Shares for every one C Share. The Company carried out a further open offer, placing and offer for subscription of C Shares in June 2016 which raised gross proceeds of approximately £175 million. Those C Shares converted into Ordinary Shares in November 2016 at a ratio of 0.9842 Ordinary Shares for every one C Share. By way of a placing programme created in May 2016, in December 2016 the Company raised further gross proceeds of approximately £126 million. The net proceeds of the IPO, the issues of C Shares in November 2015 and June 2016 and the placing programme were, after accounting for costs and expenses, substantially invested in accordance with the Company's investment objective and policy.

The Company proposes to raise further gross proceeds of approximately £125 million to invest in a portfolio of assets focusing on senior and subordinated infrastructure debt instruments and related and/or similar assets.

Details of the Group's Existing Portfolio are set out in Part 5 of this Prospectus. As at the Portfolio Date, the Group has invested approximately 98 per cent. of the Net Asset Value according to its investment objectives and policy and its existing investment portfolio consists of 45 loans and bonds. As at 2 May 2017 (being the latest practicable date before publication of this document) the Company had a market capitalisation of £664,384,673 and as at 11 April 2017, an unaudited Adjusted NAV per share of the Ordinary Shares of 101.36 pence.

As at 2 May 2017 (being the latest practicable date prior to the date of this document), there were 595,860,693 Ordinary Shares of the Company in issue. Details of the Directors', the Investment Manager's and the Investment Adviser's holdings of Ordinary Shares are set out in paragraphs 2.13 to 2.15 (inclusive) and paragraph 5.2 of Part 12 of this Prospectus.

2. Overview of the Issue

The Investment Adviser continues to see significant opportunities in the infrastructure debt market and believes that it would be in the interests of the Company to raise further funds through a share issuance to take advantage of these opportunities. The Board believes that the current opportunities available to the Investment Adviser will enable it to further diversify the Group's existing portfolio and spread the fixed costs of running the Company across a wider base. The Directors further believe that growing the size of the Company would increase secondary market liquidity for investors.

The Directors believe that the Investment Adviser has developed a strong presence in the economic infrastructure debt market through its activity since inception of the Company as well as its prior experience in the sector. The economic infrastructure market is a large market and is estimated to be approximately 15 times larger than the social infrastructure market.

By investing in debt as opposed to equity of economic infrastructure projects, the Investment Adviser is able to focus on projects which have an equity cushion of typically at least 20 per cent. This provides the Group

with a lower risk profile than equity infrastructure investments. However, the Group is still able to access investments with “equity-like” return profiles. The current yield to maturity (or Yield to Worst) on the Existing Portfolio is 8.1 per cent. as at 11 April 2017. The Investment Adviser has compiled a Target Portfolio based on an investment pipeline of opportunities in excess of £440 million.

The Placing Programme is being created to provide the Company with flexibility should it wish to raise further capital as new investment opportunities arise over the next 12 months.

The Company will invest the Net Issue Proceeds and the Net Placing Programme Proceeds in accordance with the Investment Policy.

The Directors have determined that the Ordinary Shares will be issued at an Issue Price of 105.5 pence per Ordinary Share. On the basis that the Company issues 119,172,138 Ordinary Shares (the target number of Ordinary Shares to be issued pursuant to the Issue), the Gross Issue Proceeds will be approximately £125 million and the Net Issue Proceeds will be approximately £123.5 million. The maximum number of Ordinary Shares which may be issued pursuant to the Issue is 151,658,768, although there is no certainty that the maximum number of Ordinary Shares will be issued even if sufficient demand exists.

The Investment Adviser will reinvest one quarter of its management fees in subscribing for Ordinary Shares.

3. Investment opportunity

Lending against infrastructure projects typically has attractive characteristics with low levels of credit losses relative to other forms of corporate lending, stable returns and a generally low correlation to other asset classes (evidenced by studies conducted by Moody’s and Standard & Poor’s Rating Agency (“S&P”). In particular:

- **Low default rates** – the default rate on infrastructure debt has historically been lower than that on corporate debt;
- **High recovery rate** – the recovery rate on defaulted infrastructure debt has historically been higher than on defaulted corporate debt; and
- **Attractive return profile** – returns on infrastructure debt generally are higher than comparably-rated corporate debt principally due (in the view of the Directors and the Investment Adviser) to an illiquidity premium, a scarcity of lenders – especially in relation to mezzanine debt – and being a relatively specialist asset class.

Prior to the financial crisis, it was difficult for non-bank lenders or other investors to participate in infrastructure debt, as the sector was dominated by, and essentially controlled by, lending banks. However, many of those banks have either exited the market or materially reduced their balance sheet allocation to the sector, which the Directors and Investment Adviser attribute in part to more onerous capital constraints imposed on them by Basel III and in part to a general reduction in commercial banks’ risk appetite since the financial crisis. As a result, the Directors and the Investment Adviser believe that not only are infrastructure debt investments now available to investors more generally, but also the economic and other terms available on infrastructure debt are more favourable for lenders and investors than prior to the financial crisis.

In response to this, a number of non-bank lenders and long-term investors have become active in infrastructure lending, including insurance companies such as Allianz, Met Life, Aviva and Axa. Their approach has been, generally, to target sub-sectors of the market where they can originate loans or bonds that meet their own specific investment parameters of generating long-dated, investment grade and fixed rate cashflows. The Directors and the Investment Adviser believe that they have achieved this by focussing on investments such as infrastructure projects with very low economic risk in highly-rated jurisdictions such as the UK, France and Germany. However, this part of the market is not large: for example, social infrastructure represented eight per cent. of all infrastructure transactions in 2015 and six per cent. in 2016 (Source: Preqin). The result of the insurance companies’ capital in pursuit of deals has been a significant tightening of lending margins for social infrastructure projects, especially in the UK, the U.S. and Germany.

This reduction in lending margins has not been evidenced to the same extent in the significantly larger economic infrastructure debt market which, in the opinion of the Directors and the Investment Adviser, provides a more attractive lending and investment opportunity than the social infrastructure sector. Moreover, the Group intends to invest across a range of investment-grade jurisdictions in the UK, Western Europe, North America and Australia and New Zealand, which will provide it with a wider range of opportunities than are available solely in the UK.

The Directors and the Investment Adviser also believe that there is an attractive investment opportunity in subordinated or mezzanine infrastructure debt for which there is currently only a very limited investor base. In particular:

- **Lack of other investors** – insurance companies have limited appetite for sub-investment grade debt which is penalised by Solvency I and the proposed Solvency II capital directives;
- **Limited banking appetite** – since the financial crisis, banks’ internal control functions are reluctant to approve mezzanine debt regardless of its risk-return characteristics and subordinated debt is also penalised both by internal bank capital allocation models and by banking regulations; and
- **Requires sector expertise** – many credit funds do not have the in-house expertise to evaluate infrastructure projects and are instead targeting short to medium term corporate loans.

Accordingly, a global portfolio of senior and mezzanine economic infrastructure debt may have a better expected risk-adjusted return than pure-play portfolios of infrastructure equity or corporate debt.⁶ The Directors and the Investment Adviser believe that the Group’s strategy of investing in the largest sector of the infrastructure market, across a range of investment-grade jurisdictions, and in both senior and mezzanine debt will enable it to construct a more diversified portfolio of investments than have typically been seen in other listed infrastructure investment companies.

4. Features of the Company

In addition to the above, the Directors and the Investment Adviser believe that an investment in the Company offers the following benefits and advantages:

- the Company and its Directors have access to the Investment Adviser, which has the capabilities and experience required to originate and manage infrastructure-related debt investments, having already successfully invested a substantial portion of the capital raised by the Company pursuant to the IPO, the 2015 C Share Issue, the 2016 C Share Issue and the 2016 Placing Programme;
- the Company already owns a diverse portfolio of infrastructure debt investments, which delivers an attractive yield relative to corporate bonds;
- infrastructure debt, based on historical evidence from Moody’s and S&P amongst others, is likely to experience lower volatility and lower credit losses than other forms of corporate credit;
- infrastructure debt has a low correlation to equity markets; and
- the fee load and operating expenses of the Company are low compared to certain other listed infrastructure funds.

5. Benefits of the Issue

The Directors believe that proceeding with the Issue will have the following benefits:

- providing the Company with additional capital to take advantage of the currently available pipeline opportunities should enable the Group to further diversify the Group’s existing portfolio;

⁶ Based on a comparison between the annualised risk-adjusted returns on the Company’s portfolio of assets and portfolios of infrastructure equity and corporate debt.

- create the potential to enhance the NAV per Ordinary Share of existing Ordinary Shares through new share issuance at a premium to NAV per Ordinary Share, after the related costs have been deducted;
- spreading the Company's fixed running costs across a wider base of shareholders, and benefiting from the reducing scale of charges for the Investment Adviser, thereby reducing the total expense ratio;
- a greater number of Shares in issue and a wider base of shareholders is likely to improve liquidity in the market;
- increasing the size of the Company which should help make the Company more attractive to a wider base of investors; and
- the availability of Ordinary Shares to new investors under the Ordinary Share Placing and Offer for Subscription, offers the prospect of a wider and more diversified shareholder base, and an increased opportunity to grow the Company with the benefits of scale and liquidity for Existing Shareholders.

6. Benefits of the Placing Programme

The Directors believe that instituting the Placing Programme will:

- create the potential to enhance the NAV per Ordinary Share of existing Ordinary Shares through new share issuance at a premium to NAV per Ordinary Share, after the related costs have been deducted;
- grow the Company, thereby spreading operating costs over a larger capital base, and benefiting from the reducing scale of charges for the Investment Adviser, which should reduce the total expense ratio;
- partially satisfy market demand from time to time for Ordinary Shares and improve liquidity in the market for Ordinary Shares; and
- enable the Company to raise additional capital quickly, in order to take advantage of investment opportunities that have been identified (details of which are set out in Part 6 of this document) and which may be identified in the future.

7. The EGM

An extraordinary general meeting of the Company is due to be held on 19 May 2017 at which the Company will seek from Shareholders the approvals necessary for the Issue to proceed and for the Placing Programme to be implemented including, *inter alia*, resolutions to:

- approve the issue of any new Ordinary Shares to SEB Pensionsforsikring A/S and/or any of its Associates (the "**Related Party**") if it wishes to participate in the Ordinary Share Placing and/or Offer for Subscription ("**Resolution 1**");
- approve certain related party transaction/s which may arise with respect to the Related Party if it wishes to participate in the Placing Programme ("**Resolution 2**");
- approve the disapplication of pre-emption rights in respect of up to 151,658,768 Ordinary Shares for the purposes of the Issue and up to 200 million Ordinary Shares for the purposes of the Placing Programme ("**Resolution 3**");
- approve certain amendments to the existing Articles in order to provide the Board with the requisite authority to implement a scrip dividend programme should it choose to do so and if authorised by an ordinary resolution of the Company ("**Resolution 4**"); and
- approve the adoption of an amended investment policy for the Company ("**Resolution 5**").

A copy of the Company's existing Articles and the proposed amendments to the Articles will be available for inspection during normal business hours (excluding Saturdays, Sundays and bank holidays) at Jones Day, 21 Tudor Street, London, EC4Y 0DJ, United Kingdom.

8. Investment objectives of the Company

The Company's investment objectives are to:

- provide its Shareholders with regular, sustained, long-term distributions;
- reduce risk for its Shareholders by building a diversified portfolio of investments; and
- grow the capital value of its investment assets over the long-term,

by generating exposure to senior and subordinated economic infrastructure debt and related and/or similar assets.

The Group intends to achieve its objectives by making investments in senior and subordinated debt instruments issued by infrastructure project companies, their owners or their lenders, and assets with a similar economic effect.

9. Dividend policy

Subject to sufficient profits being available for distribution and taking into account the working capital and liquidity requirements of the Group, the Company currently intends to target for Ordinary Shareholders, an ongoing quarterly dividend equivalent to six pence per Ordinary Share per annum.

In addition, the Company will target a long-term growth in its Net Asset Value of between one per cent. and two per cent. per annum.

Since incorporation the Company has paid an aggregate of 9.5 pence per Ordinary Share in dividends, a summary of which can be found in the table below. The Company intends to pay dividends in relation to the Ordinary Shares on a quarterly basis.

The next expected dividend will be in respect of the period ended 30 June 2017, to be declared in July 2017.

Dividend

| (pence per Ordinary Share) | Declaration Date | Payment Date |
|-----------------------------------|-------------------------|---------------------|
| 1.0 | 15 July 2015 | 14 August 2015 |
| 1.0 | 04 November 2015 | 30 November 2015 |
| 1.5 | 21 January 2016 | 29 February 2016 |
| 1.5 | 20 April 2016 | 29 May 2016 |
| 1.5 | 19 July 2016 | 26 August 2016 |
| 1.5 | 18 October 2016 | 25 November 2016 |
| 1.5 | 18 January 2017 | 24 February 2017 |
| 1.5 | 20 April 2017 | 24 May 2017 |

The Company's returns to its Shareholders will be affected by portfolio performance, the Company's fees and expenses and the impact of any leverage. The target annualised total return stated above should not be taken as an indication of the Group's expected future performance or results over any period and does not constitute a profit forecast. It is intended to be a target only and there is no guarantee that it can or will be achieved. It should not be seen as an indication of the Group's expected or actual return. Potential investors should also be aware that each dividend payment by the Company toward the total annualised return may not be for an equal amount to a previous or subsequent dividend payment. Accordingly, potential investors should not place any reliance on the target figures stated above in deciding whether to invest in the Ordinary Shares and/or Placing Programme Shares.

At the EGM, the Company is proposing to amend its Articles such that it will have the flexibility to offer Shareholders the option to elect for scrip dividends in the future. If approved by Shareholders at the EGM, the timing of any future scrip dividend alternative is at Board discretion and will be accompanied by a separate scrip dividend circular.

10. Investment strategy

The Company intends to focus primarily on taking senior and subordinated debt exposures to:

- economic infrastructure projects based in Eligible Jurisdictions and economic infrastructure asset or equipment-owning special purpose companies; and
- companies based in Eligible Jurisdictions whose primary focus is the ownership, funding, management or provision of services to economic infrastructure assets or projects,

(in either case, a “**Borrower**”).

10.1 *Jurisdictions*

The Group intends only to invest in debt exposures where all or substantially all of the associated underlying revenues are from an Eligible Jurisdiction, as detailed in paragraph 2 of Part 1 of this Prospectus.

By way of example, currently Portugal is not an Eligible Jurisdiction as it is rated Ba1 by Moody’s and BB+ by S&P. Additionally, the Investment Adviser is currently not pursuing investment opportunities in Spain or Italy, even though they are both Eligible Jurisdictions, as it believes that there is regulatory, legal and economic risk in these jurisdictions that is not reflected in the debt pricing available. Should these risks reduce, the Investment Adviser may consider projects from those jurisdictions.

Jurisdictional concentration limits apply as described in paragraph 3 of Part 1 of this Prospectus.

10.2 *Sectors*

The Company intends to invest in debt exposures where all or substantially all of the associated underlying revenues are from business activities in the following sectors and sub-sectors:

- Transportation including roads, rail, airports and ports;
- Transportation equipment including aircraft, rolling stock and shipping;
- Utilities including water and waste, electricity distribution and transmission, electricity supply, gas distribution and transmission, pipelines and waste-to-energy;
- Power including power purchase contracts and electricity generation;
- Renewable energy including solar, wind, biomass;
- Telecommunications, Media and Technology infrastructure including mobile phone towers, fixed line networks, data centres and satellites;
- Infrastructure accommodation including student accommodation and elderly care facilities; and
- Other sub-sectors within the sectors above that exhibit infrastructure characteristics.

Sector concentration limits apply as described in paragraph 3 of Part 1 of this Prospectus.

10.3 *Construction risk*

The Group intends to invest primarily in operational projects, since the Investment Adviser believes that once an infrastructure asset has been constructed and the contracted cashflows relating to the project have commenced, many of the risks associated with investments in such assets are significantly reduced. Moreover, funding a construction project would potentially require the Group to hold cash balances for a prolonged period of time which would reduce portfolio returns. However, in certain circumstances the Investment Adviser may consider pre-operational projects (which are projects in construction and not yet generating revenue) of up to 20 per cent. of total assets measured

at the time of investment where their risk and return characteristics are consistent with the overall requirements for the portfolio. As at the Portfolio Date, 12 per cent. of the Net Asset Value consists of loans and bonds backed by projects in the construction phase.

10.4 *Interest rates*

The Group intends to invest in a combination of floating rate, fixed rate and inflation-linked instruments but will target that in excess of half of its portfolio will be floating rate or inflation-linked debt. The Group may convert cashflows on a fixed rate instrument into floating rate by entering into asset swap transactions to manage its interest rate exposure.

10.5 *Investment form*

The Group intends to invest in debt exposures typically structured as loans, notes and bonds.

When investing in loans, the Group will typically seek to be “lender of record” but if that is not possible or practical, it will seek to ensure that any resultant additional risks are appropriately mitigated.

10.6 *Exceptions*

It is intended that the Group will invest directly or indirectly in projects which meet these criteria (detailed in paragraphs 10.1 to 10.5) and that such investments will make up a minimum of 80 per cent. of the Group’s Investments at the time of investment.

The Group will not invest in the following assets or sectors:

- Equity investments;
- Military assets;
- Outright property ownership; and
- Credit default swaps or unfunded synthetic debt instruments.

11. Investments

The Group targets senior and subordinated economic infrastructure debt investments across a range of sectors and jurisdictions in both bond and loan form, as outlined in paragraph 10 above.

Background information in relation to the economic infrastructure sector and the associated debt investment opportunities that are targeted by the Group is set out in Part 4 of this Prospectus.

The Group’s Existing Portfolio, consisting (as at the Portfolio Date) of 45 loans and bonds (excluding any unsettled trades) is described in Part 5 of this Prospectus.

A description of the Target Portfolio is also set out in Part 6 of this document. The investments have been identified by the Investment Adviser as being either available for purchase as at the Portfolio Date or expected to be available within six to nine months of the Issue. However there can be no assurance that any of the investments will remain available for purchase after the Issue or, if available, at what price the investments can be acquired by the Group. The composition of the acquired portfolio, therefore, may be substantially different to that envisaged for the Target Portfolio as described in Part 6 of this Prospectus.

The Investment Adviser has identified three specific strategies that it will pursue in identifying target assets, all of which are broadly consistent in terms of target rates of return:

11.1 *Mezzanine debt*

In relation to economic infrastructure, mezzanine debt can take a number of forms:

- Subordinated debt issued by the Borrower. This debt is serviced from the same revenues as the senior debt, but will rank junior to it upon a default. Both senior and subordinated debt are often secured on the same assets, with subordination created by an intercreditor agreement. The terms of such agreements can vary significantly between projects and as such form an important part of the credit analysis and due diligence process for assessing subordinated debt.
- Senior debt issued by a parent company to one or more Borrowers (“**Holdco Debt**”), which is classified as mezzanine debt by virtue of its structural subordination to the debt in its subsidiaries. This debt is primarily serviced by dividends being paid by the subsidiary or subsidiaries to the parent company and is therefore reliant upon not just their profitability but also their compliance with their banking covenants.
- Junior tranches of debt sold by a lender to Borrowers, where it retains the senior exposure either on a loan-by-loan basis or on a portfolio basis. This type of transaction may potentially carry a higher risk than lending directly on a subordinated basis to a Borrower, since the contractual relationship for the mezzanine provider in this case is only with the original lender, and not with the Borrower itself. However, the risks associated with this indirect relationship are reduced by the benefits of sharing in the covenants, control rights and security package of the original loan or loans.

In general, and across all these types of mezzanine debt, any losses suffered by investors in an infrastructure Borrower will be suffered firstly by the equity investors in the Borrower itself. Typically, only once the equity investors in the Borrower have suffered a complete loss of their investment will debt investors stand to make a loss. However, any subordinated debt will rank behind senior debt, so the holders of subordinated debt will typically stand to make a complete loss on their investment before holders of senior debt experience any losses. In the view of the Directors and the Investment Adviser, the capital structures of the Borrowers to which the Company seeks to generate mezzanine exposure include sufficient equity so that any losses are likely to be borne by the equity investors in the Borrowers themselves rather than by the providers of mezzanine and senior debt finance.

11.2 *Jurisdictional strategies*

One of the consequences of the financial crisis has been that many lending banks are no longer as active across a range of jurisdictions as was previously the case. For example, fewer European banks are as active in the United States as they were, in part because they themselves generally have difficulty in sourcing long-term funding in U.S. Dollars. This phenomenon has resulted in supply and demand imbalances in capital across various countries, with different returns being earned on projects with similar credit characteristics, purely because of their jurisdiction.

Currently, in the opinion of the Investment Adviser, among Eligible Jurisdictions, the UK, Germany and to a lesser extent the Netherlands are attracting substantial debt capital in comparison to their funding needs, which has resulted in a reduction in lending returns for economic infrastructure debt. France, the U.S., Belgium, Ireland and certain other jurisdictions have not experienced this reduction to the same extent, and therefore the yield on an infrastructure debt portfolio can be enhanced by increasing its allocation to these countries.

Whilst the portfolio yield could be increased further by investing in economic infrastructure debt from Southern European jurisdictions (notably Spain and Italy), the Investment Adviser believes, as discussed in paragraph 10.1 above, that there remain significant economic, legal and regulatory risks in these countries and the Group will not invest in them until these risks are significantly reduced.

11.3 *Sectoral strategies*

In addition to choosing attractive jurisdictions, the Investment Adviser believes that it can target higher risk-adjusted returns by investing in specific sectors that are potentially underinvested in by the broader infrastructure debt market, at the expense of sectors that may be overinvested in. Examples of such sectors that may be attractive would currently include gas pipelines; mid-life aircraft leasing; speciality shipping and ports. The Investment Manager views overinvested sectors as currently including social infrastructure; many PPP transactions and some renewable projects such as on-shore wind, especially in Northern Europe.

The Investment Adviser believes that lending in such underinvested sectors is typically at a relatively high yield and is also often conducted with better credit metrics (for example, lower loan-to-value ratios). Therefore, these more conservative credit metrics may mitigate some or all of the risks associated with these sectors.

The Investment Adviser believes these inefficiencies in the infrastructure debt markets may arise because many lenders have similar internal guidelines, investment restrictions or institutional preferences. For example, the Investment Adviser believes that many lenders may be currently avoiding the oil and gas sector as a matter of policy, regardless of the risk or return characteristics of specific investments in that sector. Therefore, some infrastructure investments in underinvested sectors may potentially represent attractive investments for the Group.

11.4 *Other strategies*

Subject to paragraph 5 of Part 1 of this Prospectus, the Investment Adviser retains the flexibility to adopt other strategies in response to changing market conditions. In addition, it may from time to time find potential infrastructure debt investments which, whilst not corresponding to a specific strategy, could nonetheless provide the Group with an attractive risk-adjusted return.

12. **Diversification**

The Group's objective is to generate a diversified portfolio of senior and subordinated debt economic infrastructure assets and related and/or similar assets and to maintain its portfolio so that not more than 10 per cent. in value of the Group's Net Asset Value from time to time consist of securities or loans relating to any one individual infrastructure asset (having regard to the risks relating to any cross-default or cross-collateralisation provisions). This objective is subject to the Group having a sufficient level of investment capital from time to time and the ability of the Group to invest its cash in suitable investments and is subject to the investment restrictions described in paragraphs 10 and 11 of this Part 2.

The Directors have set Concentration Limits on Investments that may be acquired, as set out in the table in paragraph 3 of Part 1 of this Prospectus.

Following Admission, the Company may seek to raise additional capital from time to time to the extent that the Directors and the Investment Adviser believe the Group will be able to make suitable investments. This may enable the Group to achieve greater diversification of risk and to benefit from economies of scale in relation to the operational costs of the Group.

13. **Investment process**

13.1 *Asset origination*

The directors of the Investment Adviser have significant experience of working within the European, U.S. and UK infrastructure markets, particularly with regard to lending, arranging debt and debt advisory work, and have established close relationships with many of the key participants in the global infrastructure market, including equity investors and lenders. The Directors therefore believe that the Investment Adviser is well placed to identify potential investment opportunities for the Group, as is evidenced by the Target Portfolio described in Part 6 of this Prospectus.

As the Group has grown since the IPO, the primary focus of the Investment Adviser has gradually transitioned from secondary market purchases of loans and bonds to primary market originations, where it is possible to deploy a greater sum of money, more rapidly and with more control than secondary market purchases. These primary market transactions will consist mostly of bilateral loans and “club” loans, where a small number of lenders join together to make one loan, and to a lesser extent syndicated loans involving a larger number of lenders. The Investment Adviser believes that by focussing on primary transactions it can target jurisdictions, sectors and subsectors that are attractive for the Group. Moreover, primary market transactions usually allow the Group to earn upfront lending fees. These transactions will be sourced by the Investment Adviser through its network of relationships with infrastructure equity funds, construction companies, advisory firms and other lenders.

To a lesser extent, the Investment Adviser will continue to pursue secondary market loan and bond acquisitions. These will be sourced through its relationships with commercial banks, investment banks and brokers.

13.2 *Preliminary review*

The Group has a selective approach to investing in infrastructure loans and bonds, and focuses primarily on identifying investment opportunities with the following target characteristics:

- meeting the Investment Criteria as set out in further detail in paragraphs 10 and 11;
- the project or assets must fit within the existing portfolio, meeting the diversification criteria as set out in paragraph 12, and the investment must add balance and diversification to the existing portfolio of the Group with regards to credit risk, asset sector, investment term and income return;
- the project or assets must generally provide an essential amenity with monopolistic characteristics, have high barriers to entry or have a high replacement cost;
- the project or assets must not expose the Group to reputational or legal risk;
- the management of the Borrower (either directly or through facilities management, servicing or other contractual arrangements) should have a proven track record and a robust financial position;
- the underlying obligor must have an acceptable credit profile; and
- there must be sufficient equity in the project or assets to allow, in the view of the Investment Adviser, the proposed leverage without undue risk.

13.3 *Due diligence procedures*

The Investment Adviser will evaluate all project risks it believes are material to making an investment decision and will assess how those risks are mitigated. Where appropriate, it will complement its analysis through the use of professional third party advisers, including technical consultants, financial and legal advisers and valuation and insurance experts. These advisers will be engaged to conduct due diligence that is intended to provide an additional and independent review of key aspects and risks of a project, providing comfort as to the level of risk mitigation and the project’s ongoing performance. In addition, the Investment Adviser will, where appropriate, conduct site visits and meetings with the management of the Borrower and/or its advisers.

Table 1 below summarises the due diligence and credit considerations that the Investment Adviser will apply when assessing potential investments for the Group.

Table 1: Due diligence and audit considerations

| | |
|-------------------------------|--|
| Macro review | <ul style="list-style-type: none"> • Sovereign analysis to include economic structure and growth prospects, balance of payments and external debt, fiscal performance and budgetary constraints, monetary flexibility, political stability • Country-specific infrastructure framework (PPP, P3, PFI) • Local authority/municipal analysis to include economic, institutional framework, financial performance, debt profile |
| Sub-sector review | <ul style="list-style-type: none"> • Analysis to determine competitive intensity and attractiveness of market in which the borrower operates • Considerations include: market structure (assessing monopolistic nature of sub-sector or industry); competitiveness (intensity of competitive rivalry); profit margin stability (threat of new entrants and bargaining power of suppliers); sustainability of the market (threat of substitute products); and pricing (bargaining power of customers) • Industry life cycle, strategic position of the issuer, regulatory framework |
| Project/Company review | <ul style="list-style-type: none"> • <i>Projects/loans</i>: Essentiality of project and barriers to entry, monopoly or quasi-monopoly status • Experience and commitment of project sponsors and service providers. Benchmarking to comparable projects • Ongoing review of financial model(s) including financial ratios • Sensitivity analysis varying assumptions such as demand, operating expenditure, renewal & replacement, inflation and interest rates • <i>Companies/bonds</i>: ongoing financial, liquidity, operating and event risk analysis; management; access to capital • Earning quality tests (special items, non-recurring items, one-off gains as a percentage of cashflow) |
| Documentation | <ul style="list-style-type: none"> • Review concession agreement and other revenue documents such as feed-in tariffs • Robustness of financing documents including loan and security agreement, intercreditor arrangements and hedging agreements • Review all due diligence technical reports • Third-party analysis including rating agencies as available • Site visits where appropriate |

- Counterparty credit risk**
- Sovereign or municipality credit risks
 - Transactional counterparties such as facility maintenance providers, operator, technical advisor to lenders, off-takers
 - Financial counterparties such as hedge providers
 - Transactional counterparties such as facility maintenance providers, operator, technical advisor to lenders, off-takers

In addition to this credit and investment review, the Investment Adviser has developed a proprietary factor model for assessing the credit risk associated with infrastructure projects, the Sequoia Infrastructure Debt Credit Model. This model is based upon a combination of the Investment Adviser's experience in the sector and independent research from EDHEC (Ecole des Hautes Etudes Commerciales) (Source: Blanc-Brude and Ismail (2013) Measuring infrastructure debt credit risk) and analyses 10 primary independent variables (which are in the opinion of the Investment Adviser the main drivers of risk for infrastructure debt transactions) and 32 secondary independent variables. This factor model does not replace fundamental analysis but rather provides a standardised methodology to assess and rate different loans. The Investment Adviser has also developed the Sequoia Infrastructure Debt Portfolio Model, a detailed Monte Carlo simulation model which shows expected returns, return volatility, defaults, loss given defaults and portfolio rating.

13.4 *Investment approval*

Prior to any investment being made (or a commitment to investment being executed) the Investment Adviser's internal investment committee will need to approve the transaction. This committee will consider the investment in the context of:

- the credit and other risks associated with the investment;
- its potential return both in absolute terms and relative to other investment opportunities; and
- its effect on the overall composition of the Group's portfolio taking into account the Group's objective of holding a diversified portfolio of investments.

At a minimum, the investment committee will comprise the chief investment officer, the chief risk officer (or his delegate) and at least one of the portfolio managers. A unanimous investment decision is required from the investment committee. Once an investment has received unanimous approval, the Investment Adviser will provide the Investment Manager with the committee minutes and the credit memorandum containing details of the investment and maximum commitment. The Investment Adviser has been delegated full portfolio management authority, subject to ongoing monitoring and supervision by the Investment Manager.

13.5 *Investment monitoring*

Information flows to the Investment Manager and the Investment Adviser and the Group will vary depending on the investment.

Loans

The Investment Manager and the Investment Adviser will receive a project-by-project technical adviser's report semi-annually or annually, where available, together with financial statements and performance data in relation to the project. In addition, in certain circumstances, such as in the event of a revenue shortfall or an unremedied event of default under a loan agreement, project agreement or operating sub-contract, further information will be sought or commissioned and, if relevant, meetings with the management of the Borrower and/or the agent bank will be arranged, together potentially with site visits.

Bonds

The Investment Manager and the Investment Adviser will receive trustee reports or similar reports (in relation to project bonds and asset-backed bonds) and audited financials of the Borrower. In some cases the Investment Manager and the Investment Adviser will also benefit from third-party research undertaken on bonds including that from the rating agencies, although the Investment Adviser will not rely upon such reports.

Loans and Bonds

The goal of investment monitoring is not limited to a reactive assessment of changes to the portfolio, but rather is a proactive process of identifying potential problems at an early stage. The Investment Manager and the Investment Adviser will aim to anticipate potentially adverse changes to the portfolio arising from, for example, the economic environment or proposed regulatory or legal changes.

14. Valuation and valuation methodology

The Valuation Agent is responsible for carrying out the fair market valuation of the Investments on a monthly basis.

The current Valuation Agent, PricewaterhouseCoopers LLP (“PwC”), is a professional services firm with offices in 157 countries and more than 223,000 professionals. PwC was incorporated on 9 December 2002 in England and Wales (registered address: 1 Embankment Place, London, WC2N 6RH, registered number OC303525) as a limited liability partnership under the Limited Liability Partnerships Act 2000. The Valuation Agent was appointed by the Company pursuant to an engagement letter dated 18 April 2017.⁷

The Valuation Agent is responsible for performing a monthly valuation review of the fair value pricing of the Company’s investments, which has been performed by the Investment Adviser.

The valuation principles used by the Valuation Agent are based on market prices, where available, and otherwise a discounted cash flow methodology.

The Investment Adviser is responsible for providing the market prices, which will be obtained, where possible, from a range of market participants including commercial and investment banks and brokers. Market prices should reflect the size of the Group’s holding.

In cases where market prices are not obtainable, or where quoted prices do not reflect, in the opinion of the Valuation Agent, the best price that could be obtained for the instrument following a reasonable marketing period, the fair value for each asset acquired by the Group will instead be calculated by applying a discount rate to the cashflow expected to arise from each such asset.

As part of its review procedures, the Valuation Agent will consider the discount rate that it believes the market would reasonably apply to each investment taking, *inter alia*, the following into account:

- interest rates for the currency in which the relevant instrument is denominated;
- movements of comparable credit markets;
- general infrastructure market activity and investor sentiment, which the Valuation Agent assesses by taking into account its knowledge of the infrastructure market gained from discussions with market participants and from publicly-available information on relevant transactions and publicly-traded infrastructure funds;
- changes to the economic, legal, taxation or regulatory environment; and
- the performance of the underlying assets, including any actual or potential event in relation to the underlying asset that may be expected to have a material impact on the ability of the Borrower to meet its obligations to its lenders, such as operating performance failures, or the credit impairment of the underlying obligor.

⁷ Mazars LLP has been the Company’s valuation agent since IPO. The Company is in the process of changing its valuation agent and PwC has been appointed effective 1 May 2017.

For the avoidance of doubt, the Valuation Agent will not be acting in the capacity as “external valuer” for the purposes of the AIFMD. As a result, the Investment Manager will remain responsible under the AIFMD for the final valuation of the Company’s assets.

15. Monthly net asset valuation

The Valuation Agent is responsible (with input from the Investment Adviser) for valuing the assets and Investments (which will be conducted on the basis of bid price). TMF is responsible for calculating the Net Asset Value of the Subsidiary on a monthly basis which they submit to the Administrator each month. The Administrator is then responsible for calculating the Net Asset Value of the Company on a monthly basis. The Administrator calculates the Net Asset Value of the Company by taking into consideration the fair market value of the Subsidiary calculated in accordance with IFRS and making such adjustments required.

The monthly Net Asset Value for the Ordinary Shares will be published by the Company by means of an RIS announcement approximately 10 Business Days after the end of the relevant month. As at 11 April 2017, the unaudited Adjusted NAV per share of the Ordinary Shares was 101.36 pence. The monthly NAV per share of the Ordinary Shares is expected to be published on or around 15 May 2017 for the month ending 28 April 2017.

The Directors may at any time, but cannot be obliged to, temporarily suspend the calculation of the Net Asset Value of the Company during:

- any period when any of the principal markets or stock exchanges on which a substantial part of the Investments are traded are closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended;
- any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial part of the Investments is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders or if in the opinion of the Directors the Net Asset Value of the Company cannot be fairly calculated; or
- any breakdown in the means of communication normally employed in determining the value of the Investments or when for any reason the current prices on any market of a substantial part of the Investments cannot be promptly and accurately ascertained.

Any delays or suspensions in the publication or calculation of the Net Asset Values will be notified to Shareholders by means of a RIS announcement.

16. Cash awaiting investment

Cash awaiting investment will be held (typically in Sterling) on behalf of the Group in interest-bearing bank accounts, or in one or more similarly-rated money market accounts or in short-dated debt funds or investments (such as treasury bills or similar instruments).

17. Debt facilities of the Company

As set out in the Investment Policy, borrowing is permitted at Company level (including through the use of repurchase or securities lending agreements), up to a maximum of 20 per cent. of the Company’s Net Asset Value. The Company has entered into a £40 million loan facility agreement, further details of which are set out on paragraph 9.14 of Part 12 of this document which remains fully drawn down. As at 11 April 2017, the Company had gross leverage of £40 million which represents approximately 6.5 per cent. of NAV.

18. Hedging policy

The Company intends to engage in currency hedging through the use of forward and swap contracts with a view to protecting the level of Sterling dividends and other distributions to be paid by the Company. The currency hedging strategy will be set and reviewed at least annually by the Directors in consultation with the Investment Manager, the Investment Adviser and/or a third party hedging consultant if required.

Following the IPO, the Group's hedging strategy is to hedge currency exchange rates each quarter to be at least:

- 100 per cent. of the anticipated non-Sterling income over the next year (on a rolling basis); plus
- 75 per cent. of the anticipated non-Sterling income over the second year; plus
- 50 per cent. of the anticipated non-Sterling income over the third year; plus
- 25 per cent. of the anticipated non-Sterling income over the fourth year.

In practice, since the IPO, the Group has undertaken more currency hedging than the minimum amount set out above. This has been primarily done to reduce the volatility of the Group's NAV and has been made possible by the Group's success in securing credit with four counterparties.

While it is the Company's intention to continue to follow its hedging strategy, the Company's ability to effect such a strategy may be affected by currency market and credit conditions and as such, cannot be guaranteed. The Group intends to hold any surplus cash from the Issue which is not invested in Sterling.

Interest rate hedging may also be carried out by the Group to seek to provide protection against increasing interest rates as and when any floating rate liabilities are entered into by the Group. The Group's exposure to such floating rate liabilities is likely to be limited to permitted borrowing, if any, as referred to in paragraph 17 of this Part 2.

Interest rate hedging may be carried out to seek to provide protection against falling interest rates in relation to assets that do not have a minimum fixed rate of return acceptable to the Group in line with its Investment Policy and strategy. If appropriate in the future, interest rate hedging may also be carried out. As at 2 May 2017 (being the latest practicable date prior to the date of this document), approximately 80 per cent. of the Company's Net Asset Value consisted of either Sterling assets or was hedged into Sterling.

The Group will only use derivatives for the purposes of efficient portfolio management.

The actual return generated by the Group in pursuing its investment objective will depend on a wide range of factors including, but not limited to, general economic and market conditions, fluctuations in currency exchange rates, prevailing interest rates and credit spreads, the terms of the investments made by the Group, and the risks highlighted in the section entitled "Risk Factors" in this Prospectus.

19. Discount Control

19.1 *Application of the Investment Adviser fee attributable to the Ordinary Shares*

The fee earned by the Investment Adviser under the Investment Advisory Agreement, includes a proportion of fees to be applied in either acquiring or subscribing for Ordinary Shares in the capital of the Company equivalent to 25 per cent. of its aggregate fees. Following Admission, if the Ordinary Shares are trading at a premium to the Net Asset Value per Ordinary Share, the relevant Investment Adviser fee will be applied in subscribing for new Ordinary Shares to be issued by the Company at the most recent closing Ordinary Share price.

To the extent that the Shares are trading at a discount to the NAV per Ordinary Share, the Company is authorised to apply the relevant Investment Adviser fee to make market purchases for the benefit of the Investment Adviser pursuant to the terms of the Investment Advisory Agreement, provided that (i) the maximum aggregate number of Ordinary Shares to be purchased by the Company represents no more than 14.99 per cent. of the total number of Ordinary Shares in issue on 29 June 2016, being the date that the buy-back authority was passed; (ii) the minimum price (exclusive of expenses) which may be paid by the Company for an Ordinary Share shall be £0.01; (iii) the maximum price (exclusive of expenses) which may be paid by the Company for an Ordinary Share shall be not more than five per cent. above the average of the mid-market quotations of an Ordinary Share as derived from the London Stock Exchange for the five business days prior to the date of the market acquisition; and (iv) such authority shall expire on the earlier of (a) 29 December 2017; and (b) the conclusion of the next annual general meeting of the Company.

19.2 *Continuation Resolution*

In accordance with the Articles, the Directors were required to convene a general meeting of the Company within 18 months of the IPO, and every three years thereafter in order to propose an Ordinary Resolution that the Company continues its business as a closed-ended investment company (the “**Continuation Resolution**”). The Company approved the Continuation Resolution at the EGM dated 25 May 2016. The next Continuation Resolution will be required by 25 May 2019.

If a Continuation Resolution is not passed, the Directors are required to put forward proposals within six months for the reconstruction or reorganisation of the Company to the Shareholders for their approval. These proposals may or may not involve winding up the Company and, accordingly, failure to pass the Continuation Resolution will not necessarily result in the winding up of the Company.

19.3 *Share Buyback*

The Directors intend to consider the acquisitions of Ordinary Shares as part of its discount control policy, from time to time, when appropriate to do so. Pursuant to an existing authority granted by the Shareholders on 29 June 2016 the Company is authorised to make one or more market acquisitions provided that (i) the maximum number of Ordinary Shares that the Company may purchase is such number as represents 14.99 per cent. of the total number of Ordinary Shares in issue on 29 June 2016, being the date that the buy-back authority was passed; and (ii) the Company shall pay a minimum of £0.01 per Ordinary Share and a maximum of no more than five per cent. above the average of the mid-market quotations of an Ordinary Share as derived from the London Stock Exchange for the five business days prior to the date of the market acquisition or, if higher, the higher of the price of the last independent trade and the highest current independent bid.

If the Board does decide that the Company should buy back Ordinary Shares, purchases will only be made through the market for cash at prices below the estimated prevailing Net Asset Value per Ordinary Share and where the Board believes such purchases will result in an increase in the Net Asset Value per Ordinary Share. Such purchases will only be made in accordance with applicable law, the Listing Rules and the Disclosure Guidance and Transparency Rules in force from time to time, or any successor laws, rules or regulations.

The authority shall expire on the earlier of 18 months from 29 June 2016 or the next annual general meeting of the Company. Although the Directors consider it appropriate to have the authorisation in place, there is no guarantee that it will be exercised or upon which terms any buyback would be exercised. The Board intends to seek renewal of this authority from Shareholders at each annual general meeting of the Company.

20. **Fees and expenses**

20.1 *Expenses of the Issue*

In aggregate, the fees and expenses relating to the Issue and associated matters are expected to be approximately £2.2 million, if the target number of Ordinary Shares are subscribed for, resulting in Net Issue Proceeds of £123.5 million if Gross Issue Proceeds of approximately £125 million are raised pursuant to the Issue. In the event that the maximum Gross Issue Proceeds of £160 million are raised, the fees and expenses relating to the Issue and associated matters are expected to be approximately £2.6 million.

20.2 *Expenses of the Placing Programme*

In aggregate, the fees and expenses relating to the Placing Programme and associated matters are expected to be approximately £2.8 million, resulting in net proceeds (for illustrative purposes only, assuming a Placing Programme price per share of 105.5 pence and two Placings of 100 million shares each) of approximately £208.2 million if gross proceeds of approximately £211 million are raised.

The initial expenses payable by the Company in relation to the Placing Programme (other than the Placing Programme issuance commissions, LSE admission fees and *ad hoc* expenses) will be borne by the Ordinary Shareholders. The Placing Programme Shares will be issued at a premium to NAV sufficient to cover the subsequent costs and expenses of the relevant placing (including, without limitation, any Placing Programme issuance commissions, LSE admission fees and *ad hoc* expenses). Such fees and expenses in relation to the Placing Programme will effectively be borne by subscribers for the Placing Programme Shares issued pursuant to the Placing Programme.

20.3 *Other fees and expenses*

The Company is responsible for its own ongoing operational costs and expenses which include (but are not limited to) the fees and expenses of the Administrator, the Custodian, the Directors and the Auditors, as well as listing fees, regulatory fees, expenses associated with any purchases of or tender offers for Ordinary Shares, printing and legal expenses and other expenses (including insurance and irrecoverable VAT). Further details are set out in Part 12.

Under the Investment Advisory Agreement, a base fee of (a) 0.5 per cent. per annum of the value of listed debt securities owned by the Group; plus (b) 0.9 per cent. per annum of the value of the Group's other investments (other than cash holdings, in relation to which no fees are payable to the Investment Adviser) is charged quarterly by the Investment Adviser to the Company. No performance fees or acquisition fees are charged. One quarter of the Investment Adviser's fee will be reinvested in applying for Ordinary Shares, which will be held subject to a three-year rolling lock-up. If the relevant Ordinary Shares are trading at a discount to NAV, the relevant fees will be applied in acquiring existing relevant Ordinary Shares in the market, at the prevailing share price. If the relevant Ordinary Shares are trading at a premium to NAV, the relevant fees will be applied in subscribing for new relevant Ordinary Shares to be issued by the Company at the most recent closing price (as reported on Bloomberg).

Over time, should the Company raise further capital or otherwise grow its Net Asset Value, the Investment Adviser will reduce the percentage fee that it charges to the Company, as summarised in the following table.

Table 3: Fee Schedule

| Group NAV (less Cash)⁸ | Fee payable on listed bonds per annum | Fee payable on cash per annum | Fee payable on other investments per annum |
|--|--|--------------------------------------|---|
| Less than £250 million | 0.5% | 0% | 0.9% |
| Between £250 million and £500 million | 0.5% | 0% | As above plus 0.8% on the total value of assets (excluding bonds and cash) not included above |
| Between £500 million and £750 million | 0.5% | 0% | As above plus 0.7% on the total value of assets (excluding bonds and cash) not included above |
| In excess of £750 million | 0.5% | 0% | As above plus 0.6% on the total value of assets (excluding bonds and cash) not included above |

⁸ The amount of Group NAV in excess of the relevant threshold specified in Table 3 will be treated as being made up of listed bonds and other investments (excluding cash) in the same proportions as comprise the overall Portfolio (excluding cash).

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to receive an annual management fee for AIFM services which shall be calculated and accrue monthly at a rate equivalent to:

- (a) where the Net Asset Value is less than or equal to £200 million, 0.075 per cent. of the Net Asset Value per annum thereafter; plus
- (b) where the Net Asset Value is more than £200 million but less than or equal to £400 million, 0.05 per cent. of the Net Asset Value per annum over £200 million; plus
- (c) where the Net Asset Value is more than £400 million but less than or equal to £500 million, 0.04 per cent. of the Net Asset Value per annum over £400 million; plus
- (d) where the Net Asset Value is more than £500 million, 0.015 per cent. of the Net Asset Value per annum over £500 million.

The management fee is capped at £320,000 and may be varied by agreement between the parties, and will be subject to a minimum annual fee of £80,000 applied on a monthly basis. If there is any VAT payable on the fees then this shall be added to the fee amount. The minimum investment management fee will be subject to an annual review on 1 May of each year, the first review having occurred in 2016. The investment management fees are payable monthly in arrears.

21. Taxation

Information concerning the tax status of the Company and in relation to an investment in Ordinary Shares or Placing Programme Shares is set out in Part 11 of this Prospectus. The statements on taxation in Part 11 are intended to be a general summary of certain tax consequences that may arise in relation to the Company and Shareholders. This is not a comprehensive summary of all technical aspects of the structure and is not intended to constitute legal or tax advice to investors. If any potential investor is in any doubt about the taxation consequences of acquiring, holding or disposing of Ordinary Shares or Placing Programme Shares, they should seek advice from their independent professional adviser.

22. Non-Mainstream Pooled Investments

The Board notes the rules of the FCA on the promotion of non-mainstream pooled investments, effective from 1 January 2014. The Board confirms that it conducts the Company's affairs, and intends to continue to conduct its affairs, so that the Company's shares will be "excluded securities" under the FCA's rules. This is on the basis that the Company, which is resident outside the EEA, would qualify for approval as an investment trust by the Commissioners for HMRC under sections 1158 and 1159 of the Corporation Tax Act 2010 if resident and listed in the United Kingdom. Therefore, the Company's shares will not amount to non-mainstream pooled investments. Accordingly, promotion of the Company's shares will not be subject to the FCA's restriction on promotion of non-mainstream pooled investments.

23. Liquidity Risk Management

- 23.1 In accordance with the UK AIFMD, the Investment Manager manages the Group's liquidity risk by taking into account the liquidity profile and strategy of the company through investing primarily in a diverse portfolio of assets. Liquidity risk mitigation will be sought through careful selection of assets, asset duration and asset liquidity profiling through loan market interaction, geographical focus, currency allocations, cash management along with other Company considerations.
- 23.2 The Investment Manager will periodically (and on at least an annual basis) make available to the Shareholders the following information in the Company's annual report and audited accounts, which will also be available on request from the Board of Directors and the Investment Manager:
 - (a) the percentage of the Company's assets which are subject to special arrangements, arising from their illiquid nature if any;
 - (b) any new arrangements for managing the liquidity of the Company;

- (c) the Company will periodically disclose the current risk profile of the Company to investors and the risk management systems employed by the Investment Manager and Board to manage those risks;
- (d) any changes to the maximum level of UK AIFMD leverage which may be employed by the Company.

24. Further issues of Shares

The Directors will have authority to issue further Shares (or where applicable, re-issue Treasury Shares) following Admission. Further issues of Shares (or reissue of Treasury Shares) will be made only if the Directors determine such issues to be in the best interests of Shareholders and the Group as a whole. Relevant factors in making such determination will include the net asset performance of the Group, the Company's Share price rating and perceived investor demand. Unless otherwise approved by Shareholders, the Directors shall only allot and issue Shares to investors at prices not less than the latest published Net Asset Value per Ordinary Share at that time. The Company will invest the net proceeds of any further issue of Shares (less short-term working capital requirements) in the Group.

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment of Shares but the Articles contain pre-emption rights in relation to allotment of Shares for cash similar (with certain exceptions) to those contained in the UK Companies Act 2006. In order for the Issue and Placing Programme to proceed, a resolution to approve the disapplication of pre-emption rights in respect of up to 151,658,768 Ordinary Shares for the purposes of the Issue and up to 200 million Ordinary Shares for the purposes of the Placing Programme will be proposed at the EGM.

The Directors intend to request that the authority to allot a specified amount of the Ordinary Shares from time to time in issue on a non-pre-emptive basis is renewed at each annual general meeting of the Company.

PART 3

MANAGEMENT AND ADMINISTRATION

1. Board of Directors

The Articles provide that there shall be no maximum or minimum number of Directors unless determined by Ordinary Resolution. The Company has appointed four Directors, all of whom are non-executive directors. The Directors meet on a regular basis to review and assess the Investment Policy and performance of the Company and generally to supervise the conduct of its affairs.

The Directors and their business experience are as follows:

Robert Jennings, CBE (62) (Chairman)

Robert Jennings is a resident of the United Kingdom and has over 20 years experience in the infrastructure sector. Mr Jennings was a managing director of UBS Investment Bank and was joint head of the Bank's Infrastructure Group until 2007. In that role, he particularly focused on the railway sector advising companies and governments across a very broad geographic range. He has twice acted as a special senior adviser to HM Treasury in 2001/02 during Railtrack's Administration and again in 2007/08 in relation to Crossrail. Mr Jennings is also a non-executive director of Crossrail.

Jan Pethick (69)

Jan Pethick is a resident of the United Kingdom and has over 35 years experience in the debt sector. Mr Pethick was Chairman of Merrill Lynch International Debt Capital Markets for 10 years, from 2000 to 2010. He had previously been Head of Global Debt Origination at Dresdner Kleinwort Benson which had acquired the credit research boutique, Luthy Baillie which he had co-founded in 1990. Prior to that, he worked for 12 years at Lehman Brothers where he was a member of the Executive Management Committee in Europe. Mr Pethick is currently also Chairman of Troy Asset Management and an independent member of the Supervisory Board of Moody's Investor Services Europe.

Jonathan Bridel (52)

Jonathan Bridel is a resident of Guernsey. Mr Bridel is currently a non-executive director of a number of investment funds and managers including Alcentra European Floating Rate Income Fund Limited, The Renewables Infrastructure Group Limited, Funding Circle SME Income Fund Limited and Starwood European Real Estate Finance Limited which are listed on the Main Market of the London Stock Exchange. He is also a non-executive director of Fair Oaks Income Fund Limited and non-executive Chairman of DP Aircraft 1 Limited. Mr Bridel was previously Managing Director of Royal Bank of Canada's investment businesses in the Channel Islands.

After qualifying as a Chartered Accountant in 1987, Mr Bridel worked with Price Waterhouse Corporate Finance in London. He subsequently held senior positions in banking, credit and corporate finance, investment management and private international businesses where he was Chief Financial Officer.

Mr Bridel holds a Master of Business Administration and also holds qualifications from the Institute of Chartered Accountants in England and Wales where he is a Fellow, the Chartered Institute of Marketing where he is a Chartered Marketer and the Australian Institute of Company Directors. He is also a member of the Chartered Institute of Marketing, the Institute of Directors and is a Chartered Fellow of the Chartered Institute for Securities and Investment.

Sandra Platts (58)

Sandra Platts is a resident of Guernsey and holds a Master's in Business Administration. Mrs Platts joined Kleinwort Benson (CI) Ltd in 1986 and was appointed to the board in 1992. She undertook the role of Chief Operating Officer for the Channel Islands business and in 2000 for the Kleinwort Benson Private Bank

Group – UK and Channel Islands. In January 2007, she was appointed to the position of Managing Director of the Guernsey Branch of Kleinwort Benson and was responsible for a strategic change programme as part of her role as Group Chief Operating Officer. Mrs Platts also held directorships on the strategic holding board of the KB Group, as well as sitting on the Bank, Trust Company and Operational Boards. She resigned from these boards in 2010. Mrs Platts is a non-executive director of NB Global Floating Rate Income Fund and UK Commercial Property Trust (both listed on the Main Market) and Investec Bank (Channel Islands) Limited, plus a number of other investment companies. She is a member of the Institute of Directors.

2. Corporate governance

The GFSC Code applies to all companies that hold a licence from the GFSC or which are registered or authorised as collective investment schemes (such as the Company). However, the GFSC has stated in the GFSC Code that companies which report against the UK Corporate Governance Code or the AIC Code are deemed to meet the requirements of the GFSC Code.

3. UK Corporate Governance Code

The Listing Rules require that the Company must “comply or explain” against the UK Corporate Governance Code. In addition, the Disclosure Guidance and Transparency Rules require the Company to (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describes its internal control and risk management arrangements.

The Directors recognise the value of the UK Corporate Governance Code and have taken appropriate measures to ensure that the Company complies, so far as is possible given the Company’s size and nature of business, with the UK Corporate Governance Code. The areas of non-compliance by the Company with the UK Corporate Governance Code are as follows:

There is no chief executive position within the Company which is not in accordance with provision A.2.1 of the UK Corporate Governance Code. As an investment company, the Company has no employees and therefore no requirement for a chief executive.

4. AIC Code

The Board has agreed to comply with the AIC Code. The Company is a member of the AIC and is classified as a Sector Specialist: Infrastructure company by the AIC.

The Company complies with the AIC Code, and in accordance with such AIC Code will be meeting its obligations in relation to the UK Corporate Governance Code and associated disclosure requirements of the Listing Rules.

5. Directors’ share dealings

The Directors have adopted the Sharedealing Code as the Company’s share dealing policy for the purpose of complying with UK legislation and the Market Abuse Regulation (EU) No. 596/2014 . The Board is responsible for taking all proper and reasonable steps to ensure compliance with the Shareholding Code by the Directors.

6. Audit Committee

The Company's Audit Committee meets formally at least three times a year for the purpose, amongst other things, of review of the annual report and the half year report, the nature and scope of the external audit and the findings therefrom, and the terms of appointment of the auditors, including their remuneration and the provision of any non-audit services by them. The Audit Committee comprises at least three Directors and includes at least one member of the Company's Risk Committee. The Board appoints the members. Appointments to the committee shall be for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to be independent. Where non-audit services are to be provided by the auditor, full consideration of the financial and other implications on the independence of the auditor arising from any such engagement will be considered before proceeding. As at the date of this document, the Audit Committee comprises Sandra Platts (chair), Jonathan Bridel and Robert Jennings. The principal duties of the Audit Committee will be: (i) reviewing the annual financial statements prior to approval, focusing on changes in accounting policies and practices, major judgemental areas, significant audit adjustments, going concern and compliance with accounting standards, listing and legal requirements; (ii) receiving and considering reports on internal financial controls, including reports from the auditors and report their findings to the Board; (iii) considering the appointment of the auditors and their remuneration including reviewing and monitoring of independence and objectivity; (iv) meeting with the auditors to discuss the scope of the audit, issues arising from their work and any matters the auditors wish to raise; and (v) reviewing the Company's corporate review procedures and any statement on internal control prior to endorsement by the Board.

7. Remuneration and Nomination Committees

The Company has established Remuneration and Nomination Committees which each comprise at least three Directors. As at the date of this document (i) the Remuneration Committee comprises Sandra Platts (chair), Jonathan Bridel and Robert Jennings; and (ii) the Nominations Committee comprises Robert Jennings (chair), Jonathan Bridel and Sandra Platts. The Remuneration Committee meets not less than once a year and has responsibility for considering the remuneration of the Directors. Appointments to both committees are made by the Board and shall be for a period of up to three years, which may be extended for further periods of up to three-years, provided the director still meets the criteria for membership of the committee. The Nomination Committee meets not less than once a year and its duties include: (i) identifying individuals qualified to become Board members and selecting the director nominees for election at general meetings of the Shareholders or for appointment to fill vacancies; (ii) determining director nominees for each committee of the Board; and (iii) considering the appropriate composition of the Board and its committees. In addition, the chairmanship of the Audit Committee, the Remuneration Committee and Nomination Committee and the Management Engagement Committee and each Director's performance will be reviewed annually by the Chairman and the performance of the Chairman will be assessed by the remaining Directors.

8. Management Engagement Committee

The Company has established a Management Engagement Committee which comprises at least two Directors. As at the date of this document the Management Engagement Committee comprised Jan Pethick (chair) and Sandra Platts. The Management Engagement Committee will meet not less than once a year. The Management Engagement Committee's main function is to review and make recommendations on any proposed amendment to the Investment Management Agreement and keep under review the performance of the Investment Manager in its role as investment manager to the Company, and the performance of the Investment Adviser in its role as investment adviser to the Company. The committee also: (i) reviews the other service providers to the Company; (ii) monitors compliance of service providers with their respective agreements; and (iii) considers any points of conflict that may arise between service providers to the Company.

9. Risk Committee

The Board has established a Risk Committee with formally delegated duties and responsibilities. It comprises Robert Jennings, Jan Pethick, Sandra Platts and Jonathan Bridel and is chaired by Jonathan Bridel. The Risk Committee meets four times per year. Appointments to the committee shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the Director still meets the criteria for membership of the committee. The Risk Committee advises the Board on the Company's overall risk appetite, tolerance and strategy, oversees and advises the Board on the current risk exposures of the Company and future risk strategy. They consider and approve the remit of the risk management function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards and corporate governance codes. The Risk Committee also ensures the function has adequate independence and is free from management and other restrictions.

10. The Investment Manager

The Investment Manager is International Fund Management Limited ("IFM"), part of the PraxisIFM Group, one of the largest independent financial services groups based in the Channel Islands and listed on The International Stock Exchange. The head office is in Guernsey. The Investment Manager is a Guernsey licensed investment manager and has a strong track record in providing principal management and risk advisory services to funds and investment managers since 2006. The Investment Manager currently provides services to 15 funds with an aggregate asset value in excess of US \$2.5 billion.

IFM has a number of outsourced relationships whereby IFM appoints advisors to manage fund assets. IFM provides an integral role in reviewing advisor credentials, recommendation processes, portfolio risk analysis, portfolio construction oversight, adherence to investment policy, restrictions and disclosures. IFM is appointed as risk manager to a number of UCITs funds reporting to the board on key risks such as portfolio, liquidity, operational, credit and counterparty risk. IFM also assists with investor reporting and the oversight of all parties to the fund. IFM maintains professional indemnity insurance of not less than £10,000,000.

The board of IFM has years of experience in the fund industry through board positions and senior fund roles in the provision of services to those funds. The board of IFM has worked with a variety of alternate asset strategies including but not limited to debt, loan obligations, private equity, equity long/short strategies. The board of IFM comprises the following directors:

Chris Hickling (44) is the Managing Director and will be the primary contact for the Company in relation to the AIFM risk management function and private placement obligations.

Mr Hickling was educated and qualified as a Chartered Accountant in New Zealand and came to Guernsey in 1998.

Mr Hickling's fund and risk management experience started when he joined Close Fund Services Limited in 2001 where he became Operations Director in 2005. During this period Mr Hickling reviewed their fund clients documenting structure and process in order to implement new operational procedures leading to a more focused risk based approach for the business. Reviews included the specific areas of pricing, NAV production, pricing risks and dealing with the fund advisors on a frequent basis. These funds included asset types such as, but not limited to, property, debt, repos, fund of funds, sovereign debt and private equity. During this time Mr Hickling also implemented a risk management program for Close Fund Services Limited's largest fund client.

In August 2007 Mr Hickling joined Investec Administration Services Limited which was subsequently sold to Praxis as part of Investec's sale of the business in 2009, all clients moved with the acquisition. Mr Hickling's role moved from operations to managing director of IFM in 2011 in order to focus primarily on current management roles and developing future opportunities in the areas of fund management, risk management and AIFMD/UCIT's solutions.

Mr Hickling continues to sit on a number of fund boards and oversees all management services undertaken by IFM including adherence to distribution rules and investor reporting.

Chris Gambrell (51) sits on the board and has a strong investment and fund background.

Mr Gambrell is the founder of the Praxis Funds Group. His previous eight years were as Operations and Finance Director at Close Fund Services. During his tenure at Praxis Funds Group and Close Fund Services, Mr Gambrell has worked with numerous listed funds with several investing into debt, including but not limited to Ashmore, CypressTree, Fair Oaks and the United Bank of Kuwait. Prior to Close Fund Services, he assisted in the establishment of the offshore Unigestion funds group, including their fund management and fund of hedge funds structures. Previously Mr Gambrell qualified as a Chartered Accountant with KPMG. Mr Gambrell has resided on numerous client fund and fund management boards and has significant experience in various asset class types such as property, private equity, hedge funds and debt.

Janine Lewis (51) sits on the Board and has extensive experience in the funds industry.

Mrs Lewis joined the PraxisIFM Group in 2009 as a result of the acquisition of Investec Administration Services Limited. She has over 30 years' experience in the finance industry working with both private and corporate clients. Over the past 17 years she has worked in the funds industry developing particular expertise in property, structured products and private equity funds. Mrs Lewis is an Associate of the Institute of Chartered Secretaries and leads the Corporate Secretariat team in Praxis Fund Services Limited.

Ray Tully (51) is a consultant to the Investment Manager.

Mr Tully joined the PraxisIFM Group in 2007 and is Head of Praxis Real Estate and responsible for the delivery of the groups property product range. Mr Tully is also a director of Praxis Corporate Finance which sources financing solutions for all borrowing clients of the Group. This involves preparation of the credit applications and due diligence packs for the Banks followed by negotiation of terms and implementation of the loan agreements.

Mr Tully has worked for 21 years in the Banking Industry. Ten years were spent in Dublin with Allied Irish Bank where his focus was primarily on Commercial and Private Banking. In 1995 Mr Tully graduated with a degree in Financial Services out of University College Dublin.

In 1996 he moved to Guernsey where he joined The Royal Bank of Scotland International (RBSI) and was a key member of the Corporate Banking Management Team. Throughout that time, in separate corporate departments, he was responsible for large lending portfolios across many asset classes which included UK and Guernsey real estate development and investment.

For non-bankable transactions Mr Tully has developed a source of alternative finance and equity for suitable asset classes all of which have specific lending criteria and require detailed applications to progress.

Shaun Robert (42) sits on the board of the Investment Manager and has in excess of 25 years experience within the funds arena.

Mr Robert has extensive front to back experience throughout Fund Administration, Transfer Agency, Fund Custody, Trustee and AIFMD Depository lines of business, dealing with many fund structures including ICC's, PCC's, investment companies and unit trusts, across a wide range of strategies such as hedge funds, fund of funds, fund of hedge funds, debt, bond and equity funds.

Mr Robert's previous positions have been Fund Administration Manager with Close Fund Services Limited, Deputy Head of Credit Suisse Fund Administration (Guernsey) Limited and Head of J.P. Morgan Custody Services (Guernsey) Limited. He has also held prescribed positions as recognised by the Guernsey Financial Services Commission for over 10 years, including Directorships and MLRO positions.

Mr Robert is a Member of the Chartered Institute for Securities and Investments and has previously sat on the Guernsey Investment Fund Association Custodian and Depository Sub Committee.

11. The Investment Adviser

The Investment Manager has appointed as its Investment Adviser, Sequoia Investment Management Company, a private limited company registered in England and Wales under no. 5902847 with a registered address of 11-13 Market Place, London, W1W 8AH. The Investment Adviser is regulated in the UK by the FCA.

The Investment Adviser was founded in 2009 with a focus on infrastructure debt. Since its inception it has undertaken a range of advisory mandates, mostly focused on debt structuring and rating, capital raising and the provision of infrastructure advice and has to date identified and reviewed over £5 billion (across £, US\$ and €) of infrastructure debt investments. In addition it has been active in raising institutional funds in the infrastructure debt sector and the first of these funds closed in 2015.

The Investment Adviser's professional staff includes four directors supported by two associates and four credit analysts. The Investment Adviser is seeking to expand its team of investment professionals in the near term. The Investment Adviser has implemented a range of systems and procedures for managing infrastructure debt portfolios including a full infrastructure credit analysis methodology, a proprietary Infrastructure Debt Credit Model, proprietary UK Local Authority Credit Model, a proprietary Infrastructure Debt Portfolio Model and an Infrastructure Loan Pricing Model. Its principal investment businesses are: (i) Sequoia Economic Infrastructure Income Fund; and (ii) Sequoia Infrastructure Debt Fund, a senior euro debt fund, which had its first close in March 2017.

The Investment Adviser's directors have, between them, in aggregate over 90 years experience in infrastructure debt, asset management and debt capital markets. They have successfully lent to, arranged debt for, advised on or rated infrastructure companies and projects across all the major infrastructure sectors.

The personnel primarily responsible for delivering investment advice to the Company on behalf of the Investment Adviser are as follows:

Randall Sandstrom (CEO and CIO) (57) has overall responsibility for the provision of investment advice to the Company.

Randall Sandstrom has 27 years of experience in international and domestic credit markets. Mr Sandstrom managed approximately US\$ 6 billion notional in global high yield and investment grade bonds, leveraged loans, ABS and money market securities in a credit fund, several CDOs, warehouse facilities and a cash portfolio. Jurisdictions included Europe, North America, the UK and Asia Pacific. He also oversaw an active US\$ 2 billion equivalent treasury operation – issuing euro and U.S. commercial paper and MTNs daily. Mr Sandstrom managed (i) €260 million and €315 million euro-denominated high yield bond portfolios; (ii) US\$ 2.6 billion in global multi-currency investment grade corporates, banks and asset-backed securities through a levered bond fund; (iii) a €240 million leveraged loan portfolio through a warehouse facility; (iv) US\$ 1 billion notional in a global investment grade CDS portfolio; and (v) US\$ 1.8 billion notional in four separate global investment grade CDS portfolios, through a rated US\$ 500 million debt tranche and 3 principal protected and zero coupon equity tranches of US\$ 1.3 billion. No rated tranche of any structure Mr Sandstrom managed was ever downgraded prior to the global financial crisis and his CDO, Orion Euro High Yield B.V., was considered the best performing 2001 European high yield bond portfolio.

His prior roles included member of the Board of Directors and MD of Structured Finance, LCF Rothschild and Head of Euro Credit Market Strategy, Morgan Stanley. Earlier in his career Mr Sandstrom was an "I/P" ranked senior Credit Analyst at CS First Boston (energy & transportation).

Steve Cook (Co-Portfolio Manager) (45) is portfolio manager and is responsible for asset sourcing, portfolio construction and portfolio hedging.

Steve Cook has 22 years of infrastructure experience and brings to the firm strong structuring and credit analysis skills. Prior to his position with the Investment Adviser he was European Head of Whole Business Securitisation and CMBS, and Co-Head of Infrastructure Finance at UBS. Before that he was the Head of European Corporate Securitisation at Morgan Stanley. At Morgan Stanley and UBS, Mr Cook had zero losses on over £5 billion of loan originations. Mr Cook has been involved in a wide variety of infrastructure projects in the UK and across Europe as a lender, arranger and adviser.

Greg Taylor (Co-Portfolio Manager) (53) is portfolio manager and is responsible for asset sourcing, project due diligence and credit.

Greg Taylor has 28 years of infrastructure experience. He was the Head of Infrastructure Finance at Merrill Lynch and Co-Head of Infrastructure Finance at UBS where he was involved in a number of transactions at Merrill Lynch and UBS where the investment bank was asked to participate as a direct lender in sizes of up to £1 billion. The assets over which the lending was secured included airports, water and sewerage companies, oil refineries, rolling stock and toll roads. Mr Taylor's responsibilities included credit analysis, structuring and presenting the transaction to credit committee.

Prior to that Mr Taylor developed Moody's methodology for rating regulated infrastructure companies and worked for 15 years in the U.S. municipal bonds market. He has thus gained a broad infrastructure perspective as bond arranger, direct lender, credit analyst and financial adviser to both borrowers and the public sector in Europe, the UK, North America and Latin America.

Dolf Kohnhorst (Chief Risk Officer) (60) is the Investment Adviser's Chief Risk Officer and is responsible for oversight of the credit, due diligence and investment processes.

Dolf Kohnhorst has 37 years of experience in investment banking, debt capital markets and project finance commercial lending. He was Head of Société Générale's Financial Institutions Group covering UK, Irish, Benelux and Scandinavian banks, insurance companies, pension funds and investment management companies, where he had zero recognised losses in his loan book throughout the financial crisis. Prior to that Mr Kohnhorst spent 16 years with Morgan Stanley heading the Benelux and Scandinavian sales teams and DCM Structured Solutions. Earlier in his career he gained experience in commercial lending to the shipping, construction and project finance sectors.

12. Administrator of the Company

Praxis Fund Services Limited (a company incorporated in Guernsey on 13 April 2005 with registered number 43046 and with an issued share capital of 3,848 Ordinary A Shares and 893 Ordinary B shares) has been appointed as administrator and secretary of the Group pursuant to the Administration Agreement. The Administrator is responsible for the general administrative requirements of the Group, such as the maintenance of accounting and statutory records. Details of the Administration Agreement are set out in paragraph 9.7 of Part 12.

Praxis Fund Services Limited ("PFS") is part of the PraxisIFM Group, one of the largest independent financial services groups based in the Channel Islands and listed on The International Stock Exchange. The head office of PFS is in Guernsey. PFS also has established offices in Malta, Luxembourg and the UK. PraxisIFM Trust Limited, a sister company, also has offices in Jersey, Mauritius, Switzerland, South Africa, Dubai, UAE and New Zealand. The PraxisIFM Group employs over 300 staff across its office network and administers approximately US\$ 42 billion of assets. In aggregate PFS administers over 60 funds. These funds encompass a number of asset strategies including property, private equity, debt as well as hedge and fund of hedge funds. They also include different types of structure from limited partnerships to incorporated cell companies which are incorporated in multiple jurisdictions, not only where PFS have offices.

Both PFS and the Investment Manager are 100 per cent. owned by Praxis Fund Holdings Limited, a company wholly owned by Praxis IFM Group Limited.

13. Custodian

Bank of New York Mellon, London Branch has been appointed as custodian to the Subsidiary pursuant to the Portfolio Administration and Agency Agreement. Bank of New York Mellon, a wholly owned subsidiary of The Bank of New York Mellon Corporation, is with limited liability by Charter, under the Laws of the State of New York by special act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its Head Office situate at One Wall Street, New York, NY 10286, USA and having a branch registered in England & Wales with FC No 005522 and BR No 000818 with its principal office in the United Kingdom situated at One Canada Square, London E14 5AL.

The Bank of New York Mellon's corporate trust business services US\$ 12 trillion in outstanding debt from 55 locations around the world. It services all major debt categories, including corporate and municipal debt, mortgage-backed and asset-backed securities, collateralized debt obligations, derivative securities and international debt offerings. The Bank of New York Mellon's corporate trust and agency services are delivered through The Bank of New York Mellon and The Bank of New York Mellon Trust Company, N.A.

The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. It has more than US\$ 26 trillion in assets under custody and administration and more than US\$ 1.4 trillion in assets under management. Additional information is available at bnymellon.com.

14. Depositary

The agent of the Company performing the duties pursuant to Articles 21(7) to (9) of the AIFMD is The Bank of New York Mellon SA/NV, a public limited company (société anonyme/naamloze vennootschap), with company number 0806.743.159, whose registered office is at 46 Rue Montoyerstraat, B-1000 Brussels, Belgium, acting through its Frankfurt branch, having its registered address at Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany. The Bank of New York Mellon SA/NV, a wholly owned subsidiary of The Bank of New York Mellon. The Bank of New York Mellon is the main banking entity of The Bank of New York Mellon Corporation.

The Bank of New York Mellon SA/NV provides financial services, primarily comprising asset servicing products focused on global custody and collateral management. The Asset Servicing business, comprises mainly global and local custody but also services such as Depot Banking, Institutional Accounting, FX Services, Fund Accounting and Transfer Agency. The Bank of New York Mellon SA/NV provides most of these products to its international client base.

15. Potential conflicts of interest

15.1 Key individuals

Under the terms of the Investment Advisory Agreement the Investment Adviser has undertaken to ensure that its obligations are carried out by a team of appropriately qualified, trained and experienced professionals reasonably acceptable to the Investment Manager who have experience of managing a portfolio of comparable size, nature and complexity as the Portfolio. However the Investment Adviser is not required to devote all of its time to the performance of its obligations under the Investment Advisory Agreement and may advise or manage other funds or similar investment vehicles in the future.

15.2 *Advisory role of the Investment Adviser on transactions which may produce investment opportunities for the Company*

If the Investment Adviser is or has been engaged by a third party in an advisory role on a transaction which gives rise to an investment opportunity for the Company, the Investment Adviser shall disclose full details of its engagement to the Directors at the earliest opportunity.

15.3 *Dealing with conflicts and treating investors fairly*

Various potential and actual conflicts of interest may exist as a result of the overall investment activities of the Investment Adviser or its affiliates or any fund or account for which the Investment Adviser or its affiliates exercises discretionary investment authority. The Investment Adviser may in future be manager or adviser for, or act as general partner to, one or more funds or similar investment vehicles whose investment strategies are the same as, overlap with, or are complementary to the investment strategies pursued by the Company.

The Investment Adviser recognises the importance of managing real and perceived conflicts of interest and to that end has implemented a detailed conflicts of interest policy. It is the policy of the Investment Adviser to allocate opportunities fairly and equitably among the Company and other accounts, where applicable, to the extent possible over a period of time. As a general policy, investment opportunities will be allocated among those accounts for which participation in the investment opportunity is appropriate *pro rata* based on the relative capital size of the accounts. However the Investment Adviser may also take into consideration other factors, such as tax consequences, legal or regulatory restrictions, the difficulty of liquidating an investment for more than one account, the fact that an account has a substantial amount of investable cash and/or other factors considered material by the Investment Adviser. Any of these factors may result in allocations among the Company and one or more other accounts on other than a *pro rata* basis.

The fees payable to the Investment Adviser for its services to the Company will be the same for each investor, proportionate to the size of its relative investment. However certain investors may be party to side letter arrangements with the Investment Adviser which provide those investors a fee rebate payable out of the Investment Adviser's own fees and which therefore have the effect of providing those investors with favourable treatment in relation to the Company's investment advisory fees.

These arrangements may be entered into by the Investment Adviser with certain institutional investors on the basis of the (i) relative size of the relevant investor's investment compared to other investors; (ii) the timing of the relevant investor's investment compared to other investors; or (iii) as may otherwise be negotiated between the relevant investor and the Investment Adviser.

16. Interest in Shares

At the relevant point in time, part of the Investment Adviser's fee will be reinvested in subscribing for Ordinary Shares, in accordance with the Investment Advisory Agreement.

PART 4

BACKGROUND TO ECONOMIC INFRASTRUCTURE AND ASSOCIATED DEBT INVESTMENT OPPORTUNITIES

1. Overview of the Economic Infrastructure Sector

1.1 *Economic infrastructure*

Economic infrastructure features industries such as transportation, utilities, power, telecommunications and renewables which are characterised by high barriers to entry, relatively stable cashflows compared to cyclical industries and, often, a low correlation to other asset classes. Economic infrastructure debt is typically supported by physical assets, long-term concessions or licences to operate infrastructure assets and often these economic infrastructure companies operate within a regulated framework (especially in utilities, power and telecommunications sectors). These fundamental characteristics of economic infrastructure debt may account for the sector's lower default rates compared to many other classes of fixed income investments, as further described below.

Unlike social infrastructure projects such as schools and hospitals, economic infrastructure projects are often exposed to demand risk, that is, the project's revenues are linked to the utilisation of the project. For example, a toll road's revenues are dependent upon traffic on the road. To mitigate this risk, economic infrastructure projects are typically less highly geared than social infrastructure projects with, on average, approximately twice the equity buffer and with more conservative credit ratios and loan covenants, and with a higher level of asset backing for lenders.

1.2 *The size of the economic infrastructure sector*

There is approximately US\$ 79 billion in infrastructure lending annually across Europe.⁹ The global infrastructure finance market was approximately US\$ 364 billion in 2016, consisting of 601 transactions, backed by debt funding of US\$ 241 billion.¹⁰ The investible debt market is larger than this, as these transaction volumes do not contain corporate bonds backed by infrastructure companies (such as Heathrow Airport), asset backed transactions (for example, aircraft or most rolling stock financings) or entirely private or bilateral transactions (which are not in the standard project finance databases). A paper published by New York University's Stern School of Business cited OECD estimates of annual infrastructure spending requirements of an average of US\$ 1.8 to 1.9 trillion through 2030.¹¹

In 2016, transaction values were split between the Americas (24.0 per cent.), EMEA (53.0 per cent.) and Asia (23.0 per cent.).¹²

According to data from Preqin, the global economic infrastructure sector in 2016 dwarfed the social infrastructure sector, being roughly 15 times larger in terms of deal value.¹³ The transport sector alone was approximately four times larger, and the renewables sector was approximately seven times larger, than the total social infrastructure sector.

Chart 1 below illustrates the total number of infrastructure deals in 2015 (inside) compared to 2016 (outside) by sector. Notable changes include a three per cent. increase in renewables deals, coupled with a five per cent. decrease in transport deals and a two per cent. decrease in social infrastructure deals.

9 Source: IJ Global Transaction Data 2006-2016.

10 Source: IJ Global: Full-year 2016 Infrastructure Finance League Tables, 6 January 2017.

11 Source: The Infrastructure Finance Challenge, NYU Stern School of Business, 2016.

12 Source: Credit Agricole: Review of Project Finance Loan Markets FY 2016.

13 Source: Preqin: Infrastructure Deals 2016, 5 January 2017.

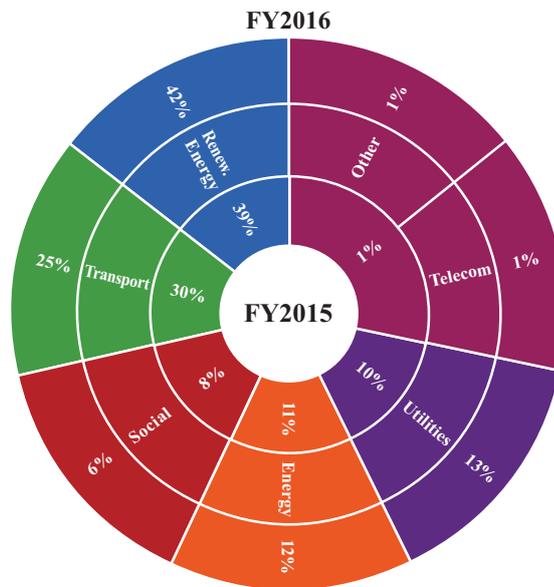


Chart 1: Infrastructure sectors
 (Source: Preqin: Infrastructure Deals 2016)

1.3 **Historical sources of debt capital to the economic infrastructure sector**

As shown in Chart 2, which tracks the historical sources of infrastructure capital, infrastructure has been predominantly financed with bank loans. One of the consequences of the financial crisis has been a withdrawal of banking capacity from the sector with many banks either pulling out of the market entirely or reducing their balance sheet allocation to it. This has resulted in improved economic terms for infrastructure debt and has created opportunities for non-bank lenders to enter the market. The data presented here does not include the totality of the market and in particular exclude corporate bonds issued by some infrastructure companies, asset-backed finance and entirely private or bilateral transactions.

There is substantial global variation in sources of capital for the infrastructure sector. Broadly, in Europe and the UK, bank lending has been by far the predominant funding source with only a small number of bond transactions for typically large and highly-rated infrastructure issuers. Conversely, in the United States, bank lending is less significant and a greater proportion of transactions have been executed in the bond markets, where transactions include not just investment-grade issuers but also a range of sub investment-grade companies. In the United States, a large number of infrastructure projects are financed through the tax exempt municipal bond market. They are excluded from the Investment Adviser’s target market since their tax exempt status typically makes them unattractive investments for non-U.S. investors.

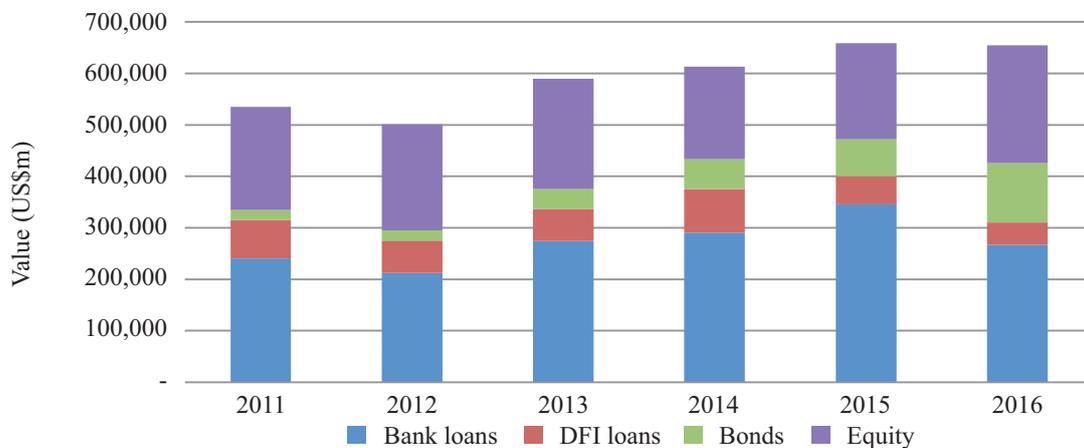


Chart 2: Global volume by source of funding for infrastructure 2011-2016
 (Source: IJ Online)

2. Economic infrastructure debt

2.1 Returns available on economic infrastructure debt

Chart 3 shows historical pricing for European infrastructure loans over the period from the first quarter of 2007 to the first quarter of 2017. It illustrates that:

- spreads on infrastructure debt have generally been more stable than equivalent credit-quality corporate bonds. Infrastructure premium to corporates increased from approximately 50-100 bps pre-financial crisis to approximately 100-150 bps currently;
- senior debt secured on availability-based PFI or PPP projects offered little-to-no yield premium to corporate bonds but senior “core” infrastructure debt, including economic projects offered additional yield; and
- economic infrastructure mezzanine debt delivered a significant yield premium to senior debt.

Typical mezzanine debt yields on economic infrastructure projects are in the range of Libor (or Euribor) plus four per cent. to six per cent. For debt instruments paying a fixed rate of interest, this is currently approximately equivalent to a fixed return of six per cent. to nine per cent. depending upon the maturity of the debt and the project’s currency. As discussed above, floating rate loans are typically found in the European markets and fixed rate bonds in the U.S. markets although this is not exclusively the case.

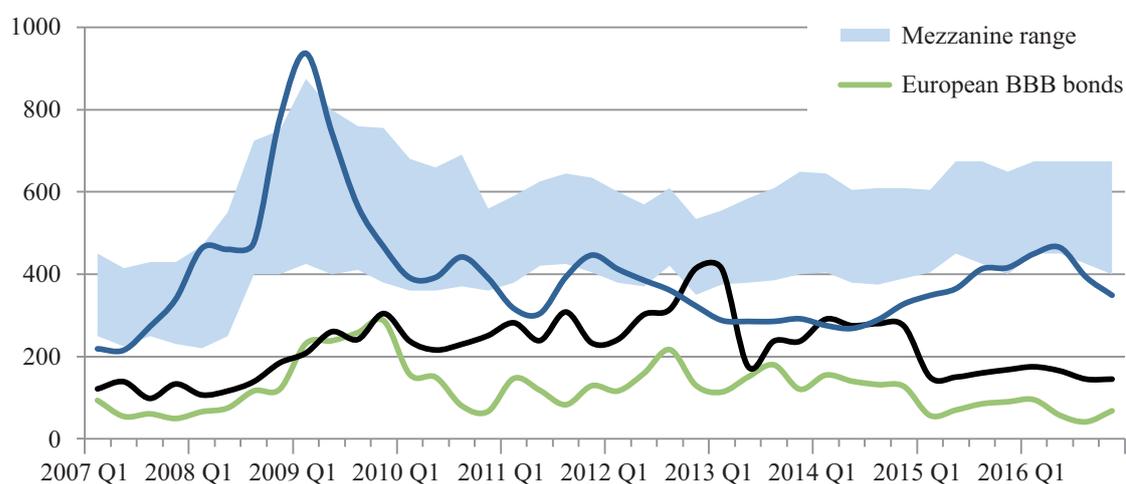


Chart 3: Infrastructure debt and corporate bond spreads

(Source: the Investment Adviser, Credit Agricole, Bloomberg)

2.2 Credit quality of infrastructure debt

Moody’s has undertaken a large scale study (Source: Moody’s, Default and Recovery Rates for Project Finance Bank Loans 1983-2014, March 2016 and 1983-2014 Addendum, September 2016) (together the “**Moody’s Study**”) of the credit characteristics of project finance debt (of which infrastructure debt is a sub set), covering 5,880 loans over a 32 year period up to December 2014. This study indicates that marginal default rates for infrastructure loans typically decrease over time from a rate initially commensurate with Baa3/Ba1 credit quality loans, to a rate commensurate with, or indeed better than, single A credit quality loans over a period of approximately six years after the start of the project (see Chart 4 below). Marginal default rates for infrastructure loans also show a drop after year two due to projects deleveraging and moving from construction to operation, with an average improvement in credit profile five to seven notches over 10 years. Unlike corporates, infrastructure recoveries are largely independent of economic cycle.

The Moody’s Study also demonstrates that the average annual default rate of 0.50 per cent. for “broad infrastructure” loans (defined by Moody’s as global transportation, social, and transmission power and distribution) is less than that of project finance loans and Baa3-rate corporates (both

0.66 per cent.). Further, the average annual default rate for Ba1-rated corporates is materially higher than broad infrastructure at a rate of 1.41 per cent.

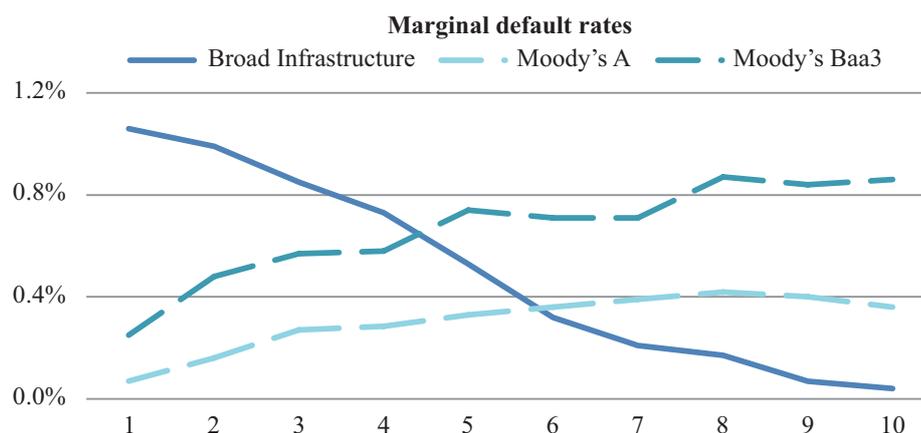


Chart 4: Marginal default rates for infrastructure debt

Source: Moody's, *Default and Recovery Rates for Project Finance Bank Loans 1983-2014, March 2016 and 1983-2013 Addendum, September 2016.*

Moreover, the Moody's Study also indicates that, following a default, recoveries for lenders to infrastructure projects are materially higher than those on corporate loans or bonds, with a similar degree of certainty in recovery levels:

| | Broad infrastructure | Corporate bonds ¹⁴ |
|--------------------------|----------------------|-------------------------------|
| Recovery rate | 80.5% | 41.9% |
| Standard deviation | 28.1% | 35.6% |
| Coefficient of Variation | 0.35 | 0.85 |

Investment opportunities in economic infrastructure debt

2.3 Mezzanine debt

The amount of senior debt that an infrastructure project can support is generally determined by its lenders applying standardised financial ratios and scenario analysis to financial projections. On average for economic infrastructure, this approach results in leverage of circa 80 per cent. of the project's total cost, and significantly less in some cases. By comparison, many social infrastructure projects are geared more highly: for example, UK PPP transactions in the social sector typically support senior leverage of up to 90 per cent. of the project's total cost.

This level of gearing, of 80 per cent. or less of the project's total cost, may be unattractive for the equity providers to an infrastructure project for a number of reasons:

- the project's resultant cost of capital may be uncompetitive or unaffordable;
- the amount of equity required may be beyond the resources or allocation of the equity providers; or
- the relatively low leverage may result in the project generating substantial accounting profits, leading to a high future corporation tax expense.

In these cases, it may be advantageous for the project's sponsors to increase the amount of project leverage by including a tranche of mezzanine debt, ranking junior to the senior debt but still secured by the project's assets and cashflows. When considering such a mezzanine tranche, the Investment Adviser will endeavour to ensure that the equity remaining in the project will be sufficient to absorb any likely future potential losses ahead of the mezzanine debt. As shown in Chart 5 this implies that the potential size of the mezzanine tranches decreases substantially as the amount of senior leverage

¹⁴ Source: Moody's, *Corporate Default and Recovery Rates, 1920-2016, February 2017.*

increases and that there is unlikely to be scope for a mezzanine tranche if the leverage of the senior debt approaches 90 per cent. of the capital structure.

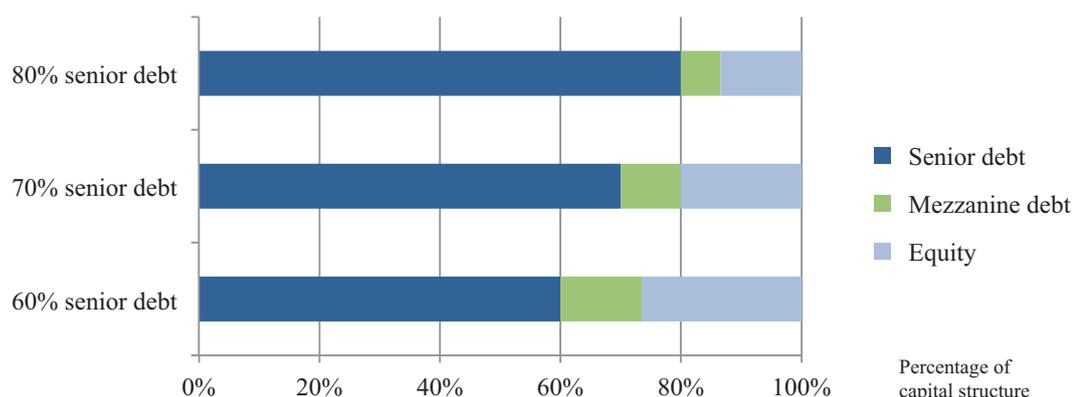


Chart 5: Illustrative project capital structure

(Source: the Investment Adviser)

2.4 Holdco debt

Once the construction of an infrastructure project is completed and it is operational, the risks associated with the project are often greatly reduced. In such cases, the owners of a project or series of projects often look to reduce the capital that they have invested in the project. One way they can achieve this is by introducing senior debt into the holding company of the project, with the net proceeds from this new debt being returned to the equity investors: in many cases this may be superior to a recapitalisation of the project debt, as that may require the payment of break fees to existing lenders and providers of interest rate hedging, the incurrence of new banking and other fees and in some cases sharing profits with the public sector.

Although the new debt in the holding company is, from a narrow legal perspective, senior-ranking (since there is typically no other debt in the holding company), the Investment Adviser classifies it as subordinated debt, since it is structurally subordinated to the debt in the project company.

When considering debt at a holding company, two key credit considerations are:

- **What is the remaining equity in the project?** The Investment Adviser will assess the equity value of the project before and after the introduction of the new debt, taking into account the risk profile of the project, and will endeavour to require that the equity investors retain sufficient capital at risk to absorb losses in priority to the lenders.
- **What is the risk that dividend payments to the holding company can be interrupted?** This assessment involves considering both the inherent risks and mitigants of the project, and the potential for the senior lenders to the project to stop dividend payments if the project were to breach its financial covenants. This risk is often substantially reduced if the holding company is invested in a number of different projects.

One important category of Holdco Debt is that associated with regulated utilities in the UK and elsewhere. In such cases, the amount of leverage that can be borne by the regulated entity is limited by either statute or the regulatory framework. Therefore, any leverage that the owners of the utility wish to raise, over that permitted at the level of the regulated entity, must be raised at the level of the holding company. In the opinion of the Investment Adviser, debt raised against the holding company of regulated utilities often has an attractive credit quality since its position in the capital structure is determined by often arbitrary regulatory or legal requirements rather than the fundamental credit characteristics of the holding company.

2.5 *The U.S. bond market*

The U.S. bond market is significantly more developed in infrastructure than the European bond market, across investment grade, sub-investment grade and asset-backed categories. In particular:

- U.S. investment-grade infrastructure bond issuers include pipelines, some utility companies and infrastructure projects, as well as infrastructure funded in the tax-exempt municipal bond markets. In general, many of these investment grade bond issuers (especially those in the utility sector) issue at very low funding costs and will not meet the investment parameters of the Company. In addition, the Company will not be in a position to take advantage of the tax-exemption related to municipal bonds, since it will not be a U.S. taxpayer, and therefore these are unlikely to be attractive. Nonetheless, from time to time, the Investment Adviser believes that attractive economic infrastructure investment-grade bonds can be identified and the Target Portfolio includes a number of such investments.
- U.S. sub-investment grade infrastructure bond issuers include some utilities (especially in the power sector) and some projects. Unlike in the European bond markets, there are significant number of such issuers in the BB and B rating categories where yields are currently in the approximate range of six to eight per cent. These bonds typically have a number of potential attractions for the Company including: secondary market liquidity and the potential to invest relatively rapidly after the Issue; significant equity cushion to absorb losses; higher transparency and availability of information compared to the European bond markets; and the potential for capital appreciation as over time the bond becomes shorter (the so-called “yield-curve roll”).
- U.S. infrastructure asset-backed bonds include transactions backed by aircraft, shipping and cell towers. One of the consequences of the prior financial crisis has been that asset-backed bonds yield a substantial premium over unsecured corporate bonds, when comparing debt instruments with a similar maturity and credit profile. In the opinion of the Investment Adviser, in many cases this premium is unwarranted by the fundamental credit characteristics of the transaction, but may have arisen through investor disenchantment with asset-backed debt in general and also through more stringent capital requirements for holding asset-backed bonds for both banks and insurance companies.

PART 5

EXISTING PORTFOLIO

1. Introduction

As at the Portfolio Date, the Group's existing portfolio consists of 45 loans and bonds. As at 11 April 2017 the Group has invested approximately 96 per cent. of the Net Asset Value.¹⁵ The latest unaudited Adjusted NAV of the Company, as at 11 April 2017 is 101.36 pence per Ordinary Share which represents £612.7 million (including accrued interest of £7.2 million).

The portfolio of loans and bonds is diversified by country, region, sector and subsector, with the largest individual investment representing 6.1 per cent. of the Net Asset Value as at 11 April 2017.

2. The existing investment portfolio

The Group's Existing Portfolio is as shown in the table below. In this table, "Value" is the most recent third-party valuation of the investment, assessed at the "bid" side of the market, and excluding accrued interest. "Yield" means the yield to maturity or, in the case of investments that can be prepaid by the borrower before their scheduled maturity, the yield to the call date if lower than the yield to maturity. In the case of floating rate investments, the yield is calculated on the basis that the underlying interest reference (such as Libor or Euribor) does not change over the life of the investment.

The Investment valuations in the table below are as at 11 April 2017. To the extent that Investments were purchased or settled after 11 April 2017, valuations as at 11 April 2017 are not available and hence yield figures are based off the purchase price.

| Investment | Type | Value (£m) | Sub-sector | Sector | Fixed/ Floating | Type | Yield (%) |
|--------------------------------|---------|------------|--------------------------|------------------|--------------------|--------|-----------|
| A'lienor S.A.S. (A65) | Private | 37.1 | Road | Transport | floating | Senior | 3.59 |
| AP Wireless Infrastructure | Private | 32.8 | Towers | TMT | floating | Senior | 8.07 |
| Cory Environmental | Private | 32.6 | Waste to Energy | Utility | floating | HoldCo | 8.59 |
| IO Data Centers LLC | Private | 30.0 | Data centers | TMT | fixed | Senior | 9.00 |
| Beamish HoldCo 2017 | Private | 29.9 | Health care | Accomm. | floating | Senior | 11.44 |
| Abteen Ventures | Private | 28.0 | Data centers | TMT | fixed | Senior | 8.00 |
| Regard Group Mezzanine | Private | 23.3 | Health care | Accomm. | floating | Mezz | 12.12 |
| Natgasoline Senior Unsecured | Private | 21.0 | Industrial infra | Other | fixed | Mezz | 9.99 |
| Exeltium Mezzanine | Private | 18.7 | PPA | Power | fixed | Mezz | 9.40 |
| Welcome Break No.1 Ltd | Private | 18.3 | Motorway Services | Transport | floating | Mezz | 8.35 |
| NGG Finance 5.625% 2073 | Public | 16.6 | Electricity distribution | Utility | fixed | Mezz | 3.99 |
| Neoen Production | Private | 16.0 | Solar & Wind | Renewables | fixed | HoldCo | 6.99 |
| Bristow Group 6.25% 2022 | Public | 15.9 | Aircraft | Transport assets | fixed | Mezz | 10.50 |
| Danaos Snr Secured 2018 | Private | 14.5 | Shipping | Transport assets | fixed | Senior | 15.45 |
| Alinta Energy TL B | Private | 13.6 | Electricity supply | Utility | fixed | Senior | 6.41 |
| Cheniere Corp. Christi 7% 2024 | Public | 13.3 | Ports | Transport | floating | Senior | 5.15 |
| Longview Power TL B | Private | 13.2 | Electricity Generation | Power | floating | Senior | 11.72 |
| NRG Energy Inc 7.25% 2026 | Public | 13.1 | Electricity Generation | Power | fixed | Senior | 6.80 |

¹⁵ Percentages calculated by dividing the value of the invested assets by the NAV as at 11 April 2017.

| Investment | Type | Value (£m) | Sub-sector | Sector | Fixed/Floating | Type | Yield (%) |
|---|-------------|-------------------|------------------------|------------------|-----------------------|-------------|------------------|
| GFL 9.875% 2021 | Public | 13.0 | Waste | Utility | floating | Senior | 5.36 |
| Talen Energy Supply 4.6% 2021 | Public | 12.8 | Electricity Generation | Power | fixed | Senior | 9.62 |
| Green Plains TL B | Private | 12.8 | Alternative Fuel | Other | fixed | Senior | 6.64 |
| Dulles Greenway 2029 | Public | 11.8 | Road | Transport | fixed | Senior | 5.77 |
| Heathrow Finance PLC 5.75% 2025 | Public | 11.6 | Airport | Transport | fixed | Senior | 4.01 |
| Reliance Rail Finance 2018 | Private | 11.3 | Rolling Stock | Transport assets | floating | Senior | 5.96 |
| DBB Jack-up Services 2019 | Private | 10.3 | Renewables equipment | Other | fixed | Senior | 8.08 |
| Latecoere TL B | Private | 10.1 | Aircraft parts | Other | fixed | Senior | 8.77 |
| North Las Vegas Water 6.572% 2040 | Public | 9.5 | Water | Utility | floating | Senior | 6.71 |
| Peterborough Progress Health | Public | 9.3 | PFI | Other | floating | Senior | 5.14 |
| Reliance Rail Finance 2019 | Private | 9.0 | Rolling Stock | Transport assets | floating | Senior | 5.39 |
| All Aboard Florida | Public | 8.8 | Rail | Transport | fixed | Senior | 10.25 |
| NRG Energy Inc 6 5/8% 2027 | Public | 7.9 | Electricity Generation | Power | fixed | Senior | 6.83 |
| Global Ship Lease 10% 2019 | Public | 7.4 | Shipping | Transport assets | floating | Senior | 10.50 |
| Invenergy TL B | Private | 7.4 | Electricity Generation | Power | fixed | Senior | 7.53 |
| Seabiscuit Senior Secured 2022 | Private | 6.9 | Student housing | Accomm. | fixed | Senior | 6.79 |
| Reliance Rail Finance 2020 | Private | 6.3 | Rolling Stock | Transport assets | fixed | Senior | 5.60 |
| Apollo Aviation 2016-2 C | Private | 6.0 | Aircraft | Transport assets | floating | Mezz | 7.94 |
| Castlelake 2015-1 C | Public | 5.7 | Aircraft | Transport assets | floating | Mezz | 9.51 |
| Castlelake 2016-1 C | Private | 4.7 | Aircraft | Transport assets | floating | Mezz | 8.78 |
| Apollo Aviation 2016-1 C | Private | 4.5 | Aircraft | Transport assets | fixed | Senior | 8.86 |
| Mount Signal Solar Senior Secured ABL | Private | 3.5 | Solar & Wind | Renewables | fixed | Senior | 8.49 |
| Talen Energy Supply 6.5% 2025 | Public | 3.2 | Electricity Generation | Power | fixed | Senior | 9.92 |
| Apollo Aviation 2016-2 B | Private | 3.1 | Aircraft | Transport assets | fixed | Mezz | 5.97 |
| Sheppey (A249) Mezzanine | Private | 2.7 | Road | Transport | floating | Mezz | 5.49 |
| Native Dancer Senior Secured 2023 | Private | 2.6 | Student housing | Accomm. | fixed | Senior | 6.86 |
| Trades Settled after 11 April 2017 (as at 28 April 2017) | | | | | | | |
| Orlyval | Private | 0.9 | Rail | Transport assets | floating | Senior | 8.50 |

Note: The Investment values included in the table above have been rounded to one decimal place. The yields have been rounded to two decimal places.

3. Performance versus investment goals

The table below shows the performance of the Group as at 11 April 2017 in the period following the IPO, the 2015 C Share Issue, the 2016 C Share Issue and the 2016 Placing Programme against the investment

goals or targets set out in the Company's IPO prospectus dated 28 January 2015, the C Share Prospectus dated 6 October 2015 and the C Share Prospectus dated 6 May 2016:

| Investment Goal | Achieved | Comments |
|--|-----------------|--|
| 50% deployment within 3 months, 70% within 6 months and fully invested within 9 months | Ahead | Both SEQI (IPO) and SEQC (2 prior C Share issues) invested ahead of schedule |
| Indicative target portfolio gross cash yield of 7-8% | ✓ | Current portfolio yield c. 8.1% |
| Purchase price at a discount to par | ✓ | Average purchase price of 96.3% of par |
| Low fund management costs | ✓ | Total expenses expected at c. 1% p.a. |
| Diversified across 21 different investments, 7 sectors and 15 sub-sectors | ✓ | 44 investments across 8 sectors, 25 sub-sectors and 8 jurisdictions |
| Over half floating rate or index-linked debt | On track | 50% floating rate |
| Debt investments supported by a material equity cushion (typically 20-30%) | ✓ | 65% LTV |
| Mostly private debt (75% or more of the portfolio in the next 2 years) | On track | 73% private debt |
| Dividend yield of 5% in respect of the Company's first year of operations, 6% subsequently | ✓ | All dividend payments have met targets |

4. Portfolio valuation

As at 11 April 2017 the Existing Portfolio had an unaudited valuation of £597,400,108. The valuation is based on the Mazars Valuation Agent's valuation of the Investments as at 11 April 2017. The Mazars Valuation Agent valued the investment portfolio as at 11 April 2017 in accordance with the methodology set out in paragraph 14 of Part 2 of the prospectus published by the Company on 6 May 2016. Where applicable, the weighted average discount rate used was 8.1 per cent. The tables in paragraph 7 below shows the sensitivity of the valuation to movements in discount rate and inflation.

5. Portfolio analysis

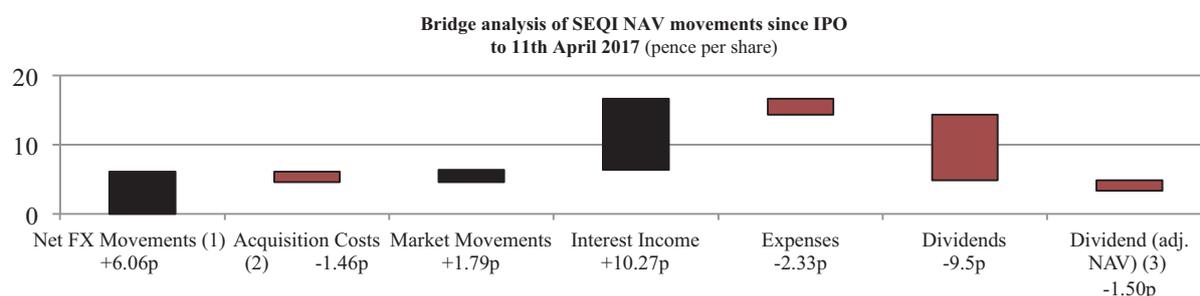
The table above in paragraph 2 shows the Existing Portfolio (including unsettled trades) by asset type, interest type, sector, sub-sector and yield as at 11 April 2017.

6. NAV Movement Analysis

The table below shows an analysis of the Company's monthly movements in its NAV, split into the following components:

- *Interest income*: includes both interest earned by the Group on its cash deposits as well as interest income and accrual on the Existing Portfolio. This has been steadily increasing over time as a greater proportion of the Group's assets are invested.
- *Acquisitions costs*: the non-cash cost of marking a position to the "bid" price (i.e. the price at which it could readily be sold). Whilst this can vary significantly, for calculation purposes the table below assumes that this cost is one per cent. for each loan and 0.5 per cent. for each bond.
- *Market gains*: the gain (if positive) or loss (if negative) in the valuation of each position.
- *FX movements (net of hedges)*: the monthly movements in the Sterling value of the portfolio, net of any realised and unrealised gains or losses in the Group's foreign exchange instruments.

- *Expenses*: the paid or accrued expenses in relation to portfolio management, custodial services, valuation, bookkeeping, company secretarial, UK AIFMD compliance and other operating costs of the Group.
- *Dividends*: these are recorded by the Company on the date on which its shares trade ex-dividend.



Monthly movements in the NAV are derived from unaudited management accounts.



- (1) After hedging.
- (2) Non cash cost of marking the acquired position to the “bid” side of the price. Assumed to be 0.5% for bonds and 1.0% for loans.
- (3) Relates to the dividend of 1.5 pence per Ordinary Share in relation to the three month period ended 31 March 2017, declared on 20 April 2017.

7. Selected estimated portfolio sensitivities

As at the Portfolio Date the table below shows the estimated approximate effect on NAV of changes in interest rates and currencies:

| Change | Estimated approximate effect on NAV |
|---|-------------------------------------|
| Rates ⁽¹⁾ rise 0.5% | -1.3% |
| Rates ⁽¹⁾ fall 0.5% | 1.4% |
| € up/down 5% ⁽²⁾ | +/-0.0% |
| US\$ up/down 5% ⁽²⁾ | +/-0.8% |
| US\$ up 5% and € down 5% ⁽²⁾ | +/-0.8% |

- (1) Simultaneous increase across yield curve in all currencies.
- (2) This is the net of estimated effect of hedges against GBP.

8. Summary of 15 largest assets

The summaries below are of the Group's 15 largest Investments (excluding any unsettled acquisitions) as at the Portfolio Date:

A'liénor S.A.S (A65)

A'liénor is an SPV established by the shareholders (Sanef and Eiffage) in 2006 to develop the A65 motorway project in the southwest of France. The French government awarded a 55-year concession under the PPP framework in December 2006 to design, build, operate and maintain 150 kilometres of the 2x2 lane road. The project initially had a gearing of 80 per cent., with the senior debt coming from a syndicated bank loan with an original maturity of January 2015, with an optional five year extension that was ultimately applied.

Since the road opened to the traffic in 2010, there have been shortfalls in traffic volumes, especially of Heavy Goods Vehicles (HGV or VP), however traffic volumes have recovered considerably, as has the project's financial performance. The Investment Adviser believes that the main reason for improved financial performance is the extension of the debt at the existing low margins.

The senior facility consists of a €935 million mini-perm which was drawn in 2007 at an interest rate of 4.32 per cent. with no scheduled amortisation until maturity in 2020. The terms of the loan include standard project finance reserve accounts and an ICR covenant (forward and backward looking).

The Company obtained its position of the senior-secured loan on the secondary market, where it was previously in a portfolio of non-core assets from which a major bank was looking to divest. The nominal amount of the Group's participation is approximately €42 million, acquired at a price of 85.19.

AP Wireless Infrastructure

AP Wireless Infrastructure ("AP Wireless") purchases the rights, but not necessary the obligations, to receive ground lease payments from a landlord who owns the land under a wireless tower. AP Wireless pre-pays the future rents (typically 10 to 15 times annual rents) on a 40-50+ year asset. Tenants are wireless carriers (e.g. Vodafone) and/or wireless tower companies.

The Investment Adviser believes that the sector as a whole benefits from the mission critical nature of the business (wireless communications services) and high barriers to entry. The Investment Adviser believes that the investment has a strong lessees' credit profile, with largely investment grade obligors. 89 per cent. of leases are "triple net" ensuring no technology and maintenance risk is assumed by AP Wireless.

Cory Riverside Energy

Cory Riverside Holdings Limited is a wholly owned subsidiary responsible for the transportation and incineration of municipal, commercial and industrial residual waste in several London boroughs. The bulk of the revenue of the energy from waste (EfW) facility is derived from one PFI-type contract and is further supplemented by merchant operations and sales of electricity.

The debt was issued at the holding company level (rather than operating company level) meaning it is structurally subordinated, but has a floating rate coupon of Libor plus 7.5 per cent. This transaction was a direct origination and earned the Company in upfront fees.

IO Data Centres LLC

IO Data Centres LLC ("IO") is a major global data centre operator that owns five state-of-the-art centres in the U.S. and Singapore. The Investment Adviser understands that IO's strategy is focused on state-of-the-art, modular facilities and, as such, the Investment Adviser believes that IO is able to deliver capital and operational efficiencies in comparison to traditional data centre operators.

The facility is a 3.25 year term loan with a coupon of nine per cent. IO's five assets are cash flow positive.

Beamish HoldCo 2017 (HC-One)

HC-One Limited (“**HC-One**”) is a leading care homes owner and operator in the UK providing dementia, nursing, residential and specialist care to more than 10,000 residents in approximately 230 homes in the UK.

This is a bridge financing with a maturity in September 2017. The Group benefited from upfront fees upon financial close, and the facility has a floating interest rate of three month Libor plus 10 per cent., with a three month extension option which would step-up the coupon to 11.5 per cent.

Abteen Ventures

Abteen Ventures sought financing for the development of a 42.5 megawatt, tier III wholesale data centre for which a 20-year lease with Microsoft for 82 per cent. of the power, with two per cent. annual increases for the first eight years exists. The data centre is still under construction but has a staggered operational schedule by which construction is completed in sections. Full completion is expected before year-end 2017. The facility is a bullet that matures in 2019 and pays an eight per cent. fixed coupon paid monthly.

Regard Group Mezzanine

The Group invested £23mm in the Regard Group mezzanine loan in October 2016. The Regard Group is a care home operator focused on the residential services and supported living sectors. The Investment Adviser believes that Regard Group management is a key strength of this credit on the basis of their sector experience. Meanwhile the service itself is seen as an essential service with overall demand for learning disability care growing, as service users move out of hospitals. The Investment Adviser believes that Regard Group runs a well-rounded and solid operation, which is reflected in its stable service user base with reasonably low churn rates. The Investment Adviser believes that the Regard Group follows a measured service growth approach.

This mezzanine loan was a direct origination with a maturity in March 2020, and pays a floating interest rate of Libor plus 6.25 per cent. plus an additional 5.5 per cent. PIK interest.

Natgasoline Senior Unsecured

Natgasoline LLC received a loan to develop a US\$1.76 billion greenfield methanol facility in Beaumont, Texas, and the Group acquired its position from one of the sponsors who sought to sell down its portion of the original loans.

The Investment Adviser considers that the transaction has a conservative capital structure with 65 per cent. equity and 35 per cent. debt, including the senior unsecured loans which benefit from mandatory cash flow sweeps and restrictions on incurring additional indebtedness other than that used to repay the existing loan. The loan matures in June 2021 and has a yield-to-maturity of roughly nine per cent.

Exeltium Mezzanine Notes

The Exeltium Mezzanine Notes were issued in July 2015 as part of the refinancing of an established long-term power purchase transaction by a number of largest French industrial electro-power users through a project company called Exeltium, under which electricity was purchased from EDF, the former monopoly and still dominant force in French power generation.

The senior notes of Exeltium are rated BBB by S&P and Baa3 by Moody’s. The junior notes were rated Ba3 by Moody’s at the time of the acquisition. They were downgraded to B3 in May 2016 and the rating was withdrawn for business reasons later in the same month. Discussions with Exeltium management indicated that it was never their intention to maintain a credit rating on the junior notes and that initial rating was required by one of the junior investors at the time of issuance.

Welcome Break No.1 Ltd

Welcome Break is one of the three main Motorway Services Area (“**MSA**”) operators in the UK, with 34 locations situated on what are regarded as the most profitable stretches of the UK motorway network

(the 'Money Motorways'). These 34 sites attract approximately 85 million visitors per year across the estate, all of whom contributed to roughly £622 million in fiscal year 2016 sales.

The MSA market benefits mainly from the fact that the vast majority (over 90 per cent.) of turn-ins are non-discretionary (i.e. driven by basic human need). The sector also demonstrates high barriers to entry through regulations on the location and distance between sites, as well as restrictions on permissions to build new sites.

The Company has invested £18.32 million in the junior debt facility, with a margin of Libor plus eight per cent., upfront fees of 2.5 per cent. and a maturity in January 2023. The junior facility security package comprises second ranking security over the same assets as the senior security package.

Total net debt was 6.7 times EBITDA as of October 2016. Deleveraging through senior excess cash sweep will be starting in year four.

NGG Finance 5.625% 2073

National Grid is a holding company for mostly regulated businesses that own and operate electricity and gas networks in the UK and the U.S. The company also owns several non-network businesses, mainly in the UK, whose operations involve the import and storage of liquefied natural gas (LNG), property holdings and metering.

This asset has a fixed coupon of 5.625 per cent. until 2025 at which point it becomes floating rate based on the 12-year swap rate. These bonds are rated Baa3 by Moody's and BBB and BBB- by S&P and Fitch, respectively.

Neoen Production 1 S.A.S.U

Neoen Production 1 S.A.S.U ("**Neoen**") is the holding company for a portfolio of 100 megawatts of operational wind and solar assets in France and Portugal, all of which benefit from long-term feed-in-tariffs and power purchase agreements. The project portfolio consists of nine solar plants (eight in France and one in Portugal) and four French on-shore wind farms with total installed capacity of approximately 100 MW. All 13 projects are fully operational and have long-term power purchase agreements at fixed feed-in tariff, expiring between 2026 and 2034. The solar projects have multi-year operations and maintenance contracts.

The investment has a seven per cent. fixed coupon payable annually with a sculpted amortization schedule for 1.3 times debt-service coverage ratio. In the early years a 100 per cent. cash sweep brings the expected maturity to 2030, following which the cash sweep steps down to 50 per cent. for continued deleveraging.

The lock-up and downside 100 per cent. cash sweep will be reinstated in the event of underperformance.

Bristow Group 6.25% 2022

Bristow Group Inc. is one of the two major operators in the global off-shore helicopter services market. The company offers point-to-point scheduled and charter transportation services delivered by fixed-wing and rotary-wing fleet. Bristow is active in the North Sea, the U.S. Gulf of Mexico and most of the other major offshore energy producing regions of the world. The company also provides private sector search and rescue services in Australia, Canada, Norway, Russia and Trinidad as well as public sector search and rescue services in the UK for the Maritime & Coastguard Agency. The 6.25 per cent. senior unsecured notes are rated B2 by Moody's and B+ by Standard & Poor's.

Danaos Senior Secured 2018 Loan

Danaos Corporation ("**Danaos**") is one of the largest independent providers of tonnage to the container liner operators. The company owns a fleet of 59 container vessels and has a portfolio of mostly long-term charters with the leading container liners. The senior loan finances four vessels, each on long-term charters expiring in 2019 and 2023, and over which it has first ranking security, and the loan also benefits from a guarantee from Danaos. In addition, the loan benefits from a second lien on a fifth vessel. The loan carries a coupon of 1.85 per cent. over Libor and has a maturity date of December 2018. It was bought at a substantial discount to its par value to give a purchase yield in excess of 8.5 per cent.

In August 2015, Danaos reported that its balance sheet deleveraging is proceeding on track aided by the expiration of out-of-the-money interest rate swaps. Subsequently, however, the global market for container shipping deteriorated materially and specifically, Danaos was adversely affected by the insolvency of Hanjin, to which it leased a number of vessels (including the vessel over which the Group's investment has a second lien, although none of the vessels over which the Group's investment had first ranking security was leased to Hanjin). As a result the credit quality of the loan has deteriorated and its value has been written down. Danaos' lenders have provided waivers of the breaches in respect of certain financial covenants and an ongoing dialogue with the company and its lenders has been undertaken. The Investment Adviser is monitoring this investment closely and is considering selling the loan in order to reduce the Group's risk. There is no certainty as to when or if such a disposal will occur and any disposal may be at a discount to the current valuation of the investment.

Alinta Energy Term Loan B

Alinta Energy is an Australian gas and electricity retailer that owns a 2,500 MW electricity generation portfolio throughout Australia, and particularly along the western coast where the majority of the state's population resides. Alinta Energy is currently rated Ba3 by Moody's. The west coast integrated business contributed around 50 per cent. of the group's EBITDA, a majority of which comes from residential gas retail and contracted payments earned by two power stations: Pinjarra and Wagerup. Additionally, most of the income generated by the Pilbara assets are underpinned by long-term Power-Purchase Agreements which grants a certain amount of cash flow visibility.

PART 6

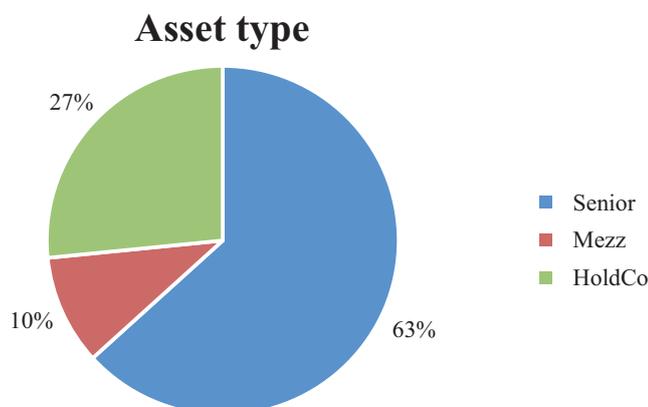
TARGET PORTFOLIO

1. Introduction

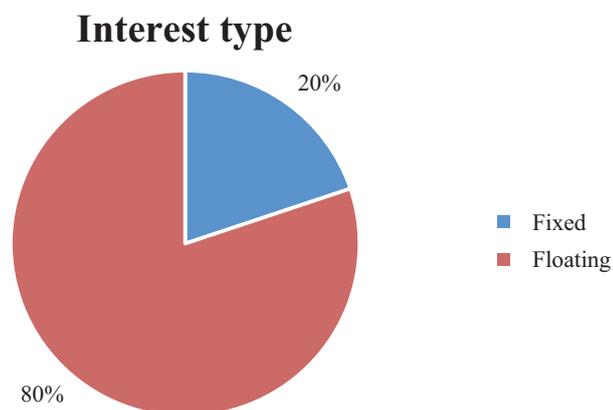
The Investment Adviser has identified potential investments with a total value in excess of £440 million that meet the Investment Policy. From this pipeline of opportunities the Investment Adviser would anticipate that the Target Portfolio will comprise investments of a type described below. The Investment Adviser has identified relevant investments as being either available for purchase as at the Portfolio Date, or expected to be available within six to nine months of the Issue. However, these potential investments have not been fully analysed by the Investment Adviser, the Investment Manager or the Board, and there can be no guarantee that the Group will ultimately pursue all, or any, of the potential investments described below. Further, there can be no assurance that any of these investments will remain available for purchase after the Issue in a timely fashion, or at all or, if available, at what price (if a price can be agreed at all) the investments can be acquired by the Group. There may also be instances where alternative investments become available which the Investment Adviser considers preferable. The individual holdings within the portfolio, therefore, may be substantially different to the Target Portfolio described below. In relation to the Target Portfolio the Investment Adviser may prioritise investment opportunities that are especially attractive in terms of yield, credit quality or other specific terms, are advantageous to the overall composition of the portfolio or may only be available for a limited amount of time relative to other similar assets in the Target Portfolio. There can be no certainty to the order or timeframe in which the Investment Adviser will make any such investments.

2. Portfolio analysis

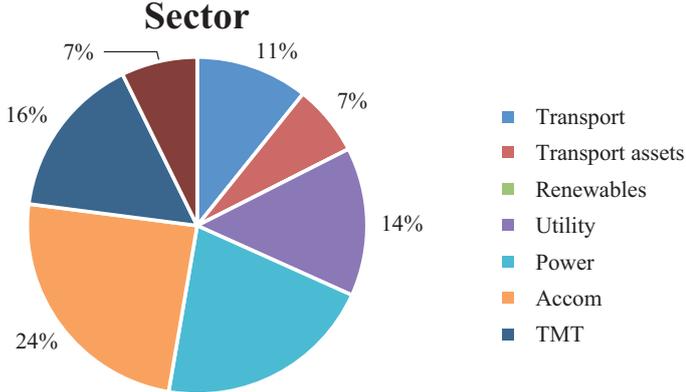
2.1 The chart below shows the anticipated composition of the Target Portfolio by asset type:



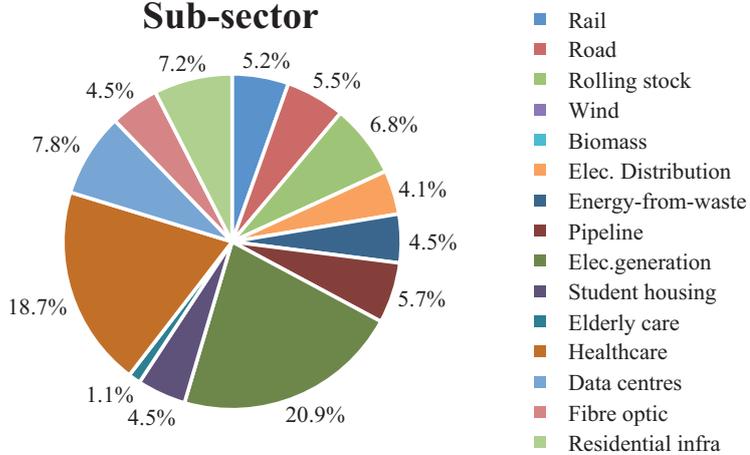
2.2 The chart below shows the anticipated composition of the Target Portfolio by interest type:



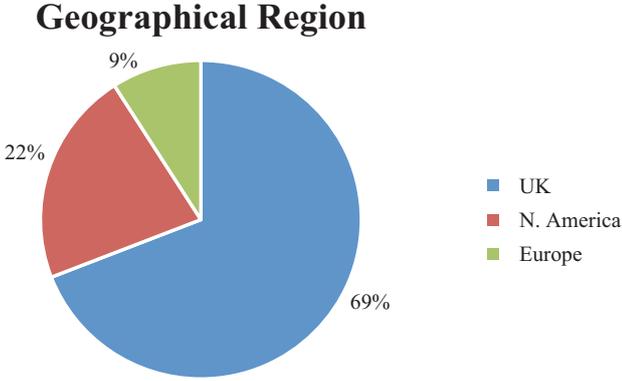
2.3 The chart below shows the anticipated composition of the Target Portfolio by sector:



2.4 The chart below shows the anticipated composition of the Target Portfolio by sub-sector:



2.5 The chart below shows the anticipated composition of the Target Portfolio by geographical region:



3. Pipeline

The Investment Adviser is pursuing further potential investment opportunities that meet its investment objective and policy as set out in Part 1 of this document.

The Investment Adviser is currently engaged in various stages of negotiations on potential acquisitions with a total value of in excess of £440 million. In addition, the Investment Adviser expects to see a steady stream of further opportunities.

The acquisition of these potential investments is subject, among other things, to the approval of the Directors, and the Investment Adviser completing satisfactory due diligence in relation to such potential investments, and any such acquisitions will be subject to agreement having been reached between the Investment Adviser and the relevant counterparty as to the terms of such acquisitions.

PART 7

THE ISSUE

1. Introduction

The Issue is being implemented by way of the Open Offer, Ordinary Share Placing and Offer for Subscription. The issue price per Ordinary Share is 105.5 pence. The target size of the Issue is approximately £125 million before expenses. The target number of Ordinary Shares to be issued pursuant to the Issue is 119,172,138. The maximum number of Ordinary Shares available pursuant to the Issue is 151,658,768, although there is no certainty that the maximum number of Ordinary Shares will be issued even if sufficient demand exists. The aggregate Net Issue Proceeds, after deduction of expenses, are expected to be approximately £123.5 million on the assumption that 119,172,138 Ordinary Shares are issued and the Gross Issue Proceeds are approximately £125 million. The actual number of Ordinary Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds, are not known as at the date of this document but will be notified by the Company via a Regulatory Information Service announcement prior to Admission.

The Directors recognise the importance of pre-emption rights to Ordinary Shareholders. Accordingly, a substantial proportion of the Ordinary Shares are being initially offered to Qualifying Shareholders by way of the Open Offer pursuant to which they will be entitled to apply for 1 Ordinary Share for every 5 Ordinary Shares held on the Record Date. The balance of the Ordinary Shares (being 32,486,630 Ordinary Shares), together with any Ordinary Shares not taken up by Qualifying Shareholders under the Open Offer (including under the Excess Application Facility), will be made available, at the discretion of the Directors, under the Ordinary Share Placing and/or Offer for Subscription of Ordinary Shares.

2. Admission

Application will be made to the UK Listing Authority and the London Stock Exchange for all of the Ordinary Shares issued pursuant to the Issue to be admitted to the premium segment of the Official List and to trading on the Main Market. It is expected that the results of the Issue will be announced through a Regulatory Information Service on or around 26 May 2017 and it is expected that Admission will become effective and that dealings for normal settlement in the Ordinary Shares will commence at 8.00 a.m. on or around 31 May 2017.

3. Investor profile

Typical investors in the Company pursuant to the Issue are expected to be institutional and sophisticated investors and private client brokers acting on behalf of their private wealth clients.

4. The Open Offer

Details of the Open Offer

Under the Open Offer, up to 119,172,138 Ordinary Shares will be made available to Qualifying Shareholders at the Issue Price *pro rata* to their holdings of Ordinary Shares, on the terms and subject to the conditions of the Open Offer on the basis of:

1 Ordinary Share for every 5 Ordinary Shares

held and registered in their name at the Record Date.

Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should note that their Open Offer Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Basic Entitlements will be admitted to CREST and enabled for settlement, the Basic Entitlements will not be tradeable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. Ordinary Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply

under the Open Offer and Qualifying Shareholders who do not apply to take up their entitlements will have no rights, and will not receive any benefit, under the Open Offer.

Existing Shareholders may also subscribe for Ordinary Shares in excess of their Basic Entitlement through the Excess Application Facility and/or the Ordinary Share Placing and/or Offer for Subscription, as appropriate.

The latest time and date for acceptance and payment in full in respect of the Open Offer will be 11.00 a.m. on 24 May 2017. Valid applications under the Open Offer will be satisfied in full up to an applicant's Basic Entitlement (rounded down to the nearest whole number).

The terms and conditions of application under the Open Offer are set out at Part 10 of this document and in the case of Qualifying Non-CREST Shareholders, the Open Offer Application Form. These terms and conditions should be read carefully before an application is made. Shareholders who are in any doubt about the Open Offer arrangements should consult their stockbroker, bank manager, solicitor, accountant or other duly authorised appropriate financial adviser.

Applications under the Open Offer are not subject to any minimum subscription requirement.

The Excess Application Facility

Existing Shareholders who take up all of their Basic Entitlements may also apply under the Excess Application Facility for additional Ordinary Shares in excess of their Basic Entitlements. The Excess Application Facility will comprise whole numbers of Ordinary Shares under the Open Offer which are not being taken up by Existing Shareholders pursuant to their Basic Entitlements (including any aggregated fractional entitlements) adjusted to include/remove any Ordinary Shares from the Excess Application Facility that the Directors determine, in their absolute discretion and with the approval of Stifel, should be reallocated to/from the Ordinary Share Placing and/or Offer for Subscription (as appropriate).

Qualifying Non-CREST Shareholders who wish to subscribe for more than their Basic Entitlement should complete the relevant sections on the Open Offer Application Form.

Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4.2.3 of Part 10 of this document for information on how to apply for additional Ordinary Shares under the Excess Application Facility.

Applications for additional Ordinary Shares under the Excess Application Facility will be allocated in such a manner as the Directors determine, in their absolute discretion. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

To the extent any Ordinary Shares remain unallocated pursuant to the Open Offer (including under the Excess Application Facility), they will be made available under the Ordinary Share Placing and/or Offer for Subscription.

5. Action to be taken under the Open Offer

Qualifying Non-CREST Shareholders

Qualifying Non-CREST Shareholders have been sent an Open Offer Application Form giving details of their Basic Entitlement.

Persons that have sold or otherwise transferred all of their Ordinary Shares should forward this document, together with any Open Offer Application Form, if and when received, at once to the purchaser or transferee, or the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee, except that, such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations including, but not limited to, the Excluded Territories. Any Shareholder that has sold or otherwise transferred only some of their Ordinary Shares held in certificated form on or before 2 May 2017 should refer to the instruction regarding split applications in the Terms and Conditions of the Open Offer at paragraph 4.1 of Part 10 of this document and the Open Offer Application Form.

Qualifying CREST shareholders

Qualifying CREST Shareholders have not been sent an Open Offer Application Form. Instead, Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Basic Entitlement and Excess CREST Open Offer Entitlement as soon as practicable after 8.00 a.m. on 4 May 2017.

In the case of any Qualifying Shareholder that has sold or otherwise transferred only part of their holding of Ordinary Shares held in uncertificated form on or before 2 May 2017, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate Basic Entitlement and Excess CREST Open Offer Entitlement to the purchaser or transferee.

Full details of the Open Offer are contained in the Terms and Conditions of the Open Offer at Part 10 of this document. If you have any doubt as to what action you should take, you should seek your own advice from your stockbroker, solicitor or other duly authorised appropriate independent financial adviser immediately.

The ISIN of the Basic Entitlements is GG00BDHYT202 and the SEDOL is BDHYT20. The ISIN for the Excess CREST Open Offer Entitlement is GG00BDHYT319 and the SEDOL is BDHYT31.

6. The Ordinary Share Placing

The Company, the Investment Adviser and Stifel have entered into the Issue Agreement, pursuant to which Stifel has agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers for the Ordinary Shares made available in the Ordinary Share Placing at the Issue Price. Stifel is entitled, at its discretion and out of its own resources, at any time to rebate to some or all of its investors (including the Investment Adviser), or to other parties, part or all of its fees relating to the Issue. Such rebates shall include rebates to the Investment Adviser where the Investment Adviser is entitled to up to a maximum of 66.6 per cent. of Stifel's fee based on the *pro rata* amount invested by certain named accounts which have been agreed between Stifel and the Investment Adviser. Ordinary Share Placing commitments should be received by Stifel no later than 12.00 p.m. (noon) on 25 May 2017.

The Issue Agreement contains provisions entitling Stifel to terminate the Issue (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Issue and these arrangements will lapse and any monies received in respect of the Issue will be returned to applicants without interest at the applicant's risk.

The Issue Agreement provides for Stifel to be paid commission by the Company in respect of the Ordinary Shares to be allotted pursuant to the Issue. Stifel is entitled, at its discretion and out of its own resources, at any time to rebate to some or all of its investors, or to other parties, part or all of its fees relating to the Issue.

Further details of the terms of the Issue Agreement are set out in paragraph 9.1 of Part 12 of this Prospectus.

The terms and conditions which shall apply to any subscription for Ordinary Shares pursuant to the Ordinary Share Placing are set out in Part 8 of this document.

7. The Offer for Subscription

The Offer for Subscription will open on 3 May 2017 and the latest time for receipt of Offer for Subscription Application Forms will be 3.00 p.m. on 24 May 2017. Admission is expected to occur and unconditional dealings in the new Ordinary Shares are expected to commence at 8.00 a.m. on 31 May 2017.

The terms and conditions of applications under the Offer for Subscription are set out in Part 9 of this Prospectus and an offer for Subscription Application Form is set out at the end of this Prospectus. These terms and conditions should be read carefully before an application is made. Prospective investors should consult their respective stockbrokers, bank managers, solicitors, accountants or other duly authorised appropriate independent financial advisers if they are in doubt. Offer for Subscription Application Forms, accompanied by a cheque or duly endorsed banker's draft, should be returned by post or by hand (during normal business hours only) to the Receiving Agent, Computershare Investor Services by no later than 3.00 p.m. on 24 May 2017. If you wish to make payment electronically please contact Computershare at

sequoia@computershare.co.uk, which will provide you with the necessary bank account details and a reference number to quote when making payment. Applicants choosing to settle via CREST, that is DVP will need to match their instructions to Computershare's participant account 3RA54 by no later than 1.00 p.m. on 26 May 2017, allowing for the delivery and acceptance of Ordinary Shares to be made against payment of the Issue Price per Ordinary Share, following the CREST matching criteria set out in the Application Form.

Applications under the Offer for Subscription must be for Ordinary Shares with a minimum subscription amount of £1,000 and thereafter in multiples of £1,000, or such lower amounts as Stifel and the Company may agree.

8. Expenses

The costs of the Issue will (provided that the Issue proceeds) be borne out of the proceeds of the Issue. The total costs of the Issue (including any commissions) are expected to be approximately £2.2 million, assuming that the Company raises gross proceeds of approximately £125 million pursuant to the Issue. If the Company were to raise the maximum gross proceeds of £160 million, the costs of the Issue are expected to be approximately £2.6 million.

9. General

In the event that there are any significant changes affecting any of the matters described in this document (or any document incorporated by reference) or where any significant new matters have arisen after the publication of this document and prior to Admission, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s).

Should the Issue be aborted or fail to complete for any reason, monies received will be returned without interest at the risk of the applicant. In the event that applications for the Ordinary Shares are in excess of the target amount, the Company may scale back applications made in such manner as it shall determine in its discretion (in consultation with Stifel) and thereafter no further commitments or applications will be accepted and the Issue will be closed.

Definitive certificates in respect of the Ordinary Shares in certificated form will be dispatched by post on or around 2 June 2017. Temporary documents of title will not be issued.

Pursuant to anti-money laundering laws and regulations with which the Company must comply in Guernsey, the Company and its agents (and their agents) may require evidence in connection with any application for Ordinary Shares, including further identifications of the applicant(s), before any Ordinary Shares are issued.

10. Reasons for the Issue and use of proceeds

Shortly after Admission, the Company will seek to acquire target investments for the Target Portfolio described in Part 6 of this Prospectus, by investing the Net Issue Proceeds in accordance with the Investment Policy. It is estimated that 75 per cent. of the Net Issue Proceeds will be invested within three to four months of Admission and that substantially the full amount of the Net Issue Proceeds will be fully invested six months after Admission.

The Net Issue Proceeds will be deployed primarily in acquiring the Target Portfolio, and potentially, in acquiring further investments that the Investment Adviser identifies in the future which are not currently anticipated to be in the Target Portfolio described in Part 6 of this Prospectus. In either case the approach of the Investment Adviser is not to recommend the acquisition of assets until full and satisfactory due diligence has been undertaken. In broad terms, the Investment Adviser will prioritise transactions that (i) are especially attractive with regards to yield, credit quality or other terms; (ii) are advantageous to the overall composition of the portfolio, for example by improving the exposure of the fund to specific sectors or sub-sectors in which it is underweight; or (iii) may not be available as investments in the future if the acquisition is not completed speedily.

In particular, the Group has not entered into any legally binding documentation to acquire any assets for the Target Portfolio as described in Part 6 of this Prospectus. These investments have been identified by the Investment Adviser as being either available for purchase as at the Portfolio Date, or expected to be available within six to nine months of the Issue. However, there can be no assurance that any of these investments will remain available for purchase after Admission or, if available, at what price (if a price can be agreed at all) the investments can be acquired by the Group. The composition of the acquired portfolio, therefore, may be substantially different to that envisaged for the Target Portfolio as described in Part 6 of this Prospectus. In these circumstances, whilst the Group will endeavour to source investments with similar characteristics, there can be no assurance that it will be able to do so within a reasonable timeframe, on acceptable terms, or at all.

In the event that the Company raises less than the maximum Net Issue Proceeds of £157.4 million but in excess of the Minimum Net Proceeds, the Company will seek to invest the proceeds on a basis consistent with that described in the Target Portfolio described in Part 6 of this Prospectus. In certain instances, the Company will be able to invest a lower amount than originally anticipated, however this may not always be the case and in some instances the Company will not be able to invest in a target asset.

To the extent that the Company raises an amount that is materially in excess of the target amount, the Board may consider if it is in the interest of Shareholders to pay down the outstanding debt under the Loan Agreement.

11. Conditionality

The Issue is conditional, *inter alia*, upon the following:

- (i) Admission occurring and becoming effective by 8.30 a.m. (London time) on or around 31 May 2017 (or such later time and/or date, not being later than 8.30 a.m. on 31 July 2017, as the Company and Stifel may agree);
- (ii) the Issue Agreement becoming otherwise unconditional in all respects and not being terminated on or before 8.30 a.m. on 31 July 2017;
- (iii) the passing of Resolution 3; and
- (iv) the Minimum Net Proceeds being raised, (or such lesser amount as the Company, the Investment Adviser and Stifel may agree).

If the above conditions are not met on or before 8.30 a.m. on 31 July 2017, the Issue will lapse and any subscriptions received will be returned to Applicants, at their risk, without interest. The Issue will not be revoked after Admission has become effective.

12. Dilution

If a Qualifying Shareholder does not participate in the Ordinary Share Placing or in the Offer for Subscription and the Issue is fully subscribed, but the Shareholder:

- (i) subscribes under the Open Offer for such number of Ordinary Shares as is equal to his or her proportionate ownership of Ordinary Shares, assuming the maximum Issue size, the dilution of the percentage holding and voting interests in the Company, for an Existing Shareholder would be approximately 4.3 per cent.; or
- (ii) does not subscribe under the Open Offer for any Ordinary Shares such an Existing Shareholder's percentage holding and voting interests in the Company will be diluted by approximately 20.3 per cent. assuming the maximum Issue size.

13. Clearing and settlement relating to the Ordinary Share Placing and Offer for Subscription

Payment for the Ordinary Shares in the case of the Ordinary Share Placing should be made in accordance with settlement instructions provided to Placees by (or on behalf of) Stifel or the Company and in accordance with the instructions set out in Part 9 of this Prospectus in the case of the Offer for Subscription.

The Ordinary Shares will be issued in registered form and may be held in either certificated or uncertificated form. In the case of Ordinary Shares held in uncertificated form, the Articles permit the holding and transfer of Ordinary Shares under CREST. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Directors will apply for the Ordinary Shares to be admitted to CREST. The records in respect of Ordinary Shares held in uncertificated form will be maintained by Euroclear U.K. & Ireland Limited, the Registrar and the Receiving Agent (details of whom are set out on pages 60-61 of this document).

The Company will arrange for Euroclear U.K. & Ireland Limited to be instructed, on or around 31 May 2017 to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to Ordinary Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share register of the Company.

The transfer of Ordinary Shares out of the CREST system following the Issue should be arranged directly through CREST. However, an investor's beneficial holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an uncertificated holding in definitive registered form. If a Ordinary Shareholder or transferee requests Ordinary Shares to be issued in certificated form and is holding such Ordinary Shares outside CREST, a share certificate will be dispatched either to him or his nominated agent (at his risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Ordinary Shares. Ordinary Shareholders holding definitive certificates may elect at a later date to hold such Ordinary Shares through CREST or in uncertificated form provided they surrender their definitive certificates.

14. Overseas persons

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

The Company has elected to impose the restrictions described below on the Issue and on the future trading of the Ordinary Shares so that the Company will not be required to register the offer and sale of the Ordinary Shares under the U.S. Securities Act, so that the Company will not have an obligation to register as an investment company under the U.S. Investment Company Act and related rules and to address certain ERISA, U.S. Tax Code, and other considerations. These transfer restrictions will remain in effect until the Company determines in its sole discretion to remove them. The Company and its agents will not be obligated to recognise any resale or other transfer of the Ordinary Shares made other than in compliance with the restrictions described below.

Restrictions due to lack of registration under the U.S. Securities Act and U.S. Investment Company Act

The Ordinary Shares have not been and will not be registered under the U.S. Securities Act or under any laws of, or with any securities regulatory authority of, any state or other jurisdiction of the United States and the Ordinary Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States, and under circumstances that would not result in the Company being in violation of the U.S. Investment Company Act. There will be no offer or sale of the Ordinary Shares in the United States.

The Ordinary Shares are only being offered and sold outside the United States in offshore transactions to persons who are not U.S. Persons (and who are not acting for the account or benefit of any U.S. Person)

pursuant to Regulation S under the U.S. Securities Act which provides an exemption from requirement to register such offers and sales under the U.S. Securities Act.

Moreover, the Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

14.1 *Subscriber warranties*

Each subscriber of Ordinary Shares in the Issue and each subsequent investor in the Ordinary Shares as of the date it subscribes for or otherwise receives such Ordinary Shares will be deemed to have represented, warranted, acknowledged and agreed as follows:

- (a) no portion of the assets used to purchase, and no portion of the assets used to hold, the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an “employee benefit plan” that is subject to Part 4 of Title I of ERISA; (ii) a “plan” to which Section 4975 of the U.S. Tax Code applies; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements by reason of a plan’s investment in the entity. In addition, if an investor is a governmental plan, church plan that has not made an election under Section 410(d) of the U.S. Tax Code, or non-U.S. plan that is subject to any federal, state, local or non-U.S. law that regulates its investments, its purchase, holding, and disposition of the Ordinary Shares must not constitute or result in a violation of any such Similar Law that prohibits or imposes an excise or penalty tax on the purchase of the Ordinary Shares; and
- (b) it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or interests therein at any time as to such person’s status under ERISA, the U.S. Tax Code and the U.S. federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not result in application of the U.S. Plan Asset Regulations, or violate or require registration under the U.S. securities laws to transfer such Ordinary Shares or interests in accordance with the Articles.

Each subscriber of Ordinary Shares in the Issue will be deemed to have represented, warranted, acknowledged and agreed as follows:

- (c) it is not a U.S. Person, is not located in the United States and is not acquiring the Ordinary Shares for the account or benefit of a U.S. Person;
- (d) it is acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S;
- (e) it acknowledges that the Company has not registered under the U.S. Investment Company Act and that the Company has put in place transfer restrictions on the Ordinary Shares to ensure that the Company will not violate the U.S. Investment Company Act;
- (f) if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the Ordinary Shares, it will do so only in compliance with an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and under circumstances which will not require the Company to register under the U.S. Investment Company Act. It will, and each subsequent holder will be required to, notify any subsequent purchaser of the Ordinary Shares of the resale restrictions referred to in this paragraph (f). It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- (g) it is entitled to acquire the Ordinary Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Ordinary Shares and that it has not taken any action, or omitted to take any action, which may

result in the Company, Stifel or their respective directors, officers, agents, affiliates, employees and advisers being in breach of the laws of any jurisdiction in connection with the Issue or its acceptance of participation in the Issue;

- (h) it has received, carefully read and understands this Prospectus or other relevant public disclosure of the Company;
- (i) if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgments and agreements on behalf of each such account; and
- (j) the Company, Stifel and their respective directors, officers, agents, affiliates, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements. If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with, the investor will immediately notify the Company.

PART 8

TERMS AND CONDITIONS OF THE ORDINARY SHARE PLACING

1. INTRODUCTION

IMPORTANT INFORMATION FOR PLACEES ONLY REGARDING THE ORDINARY SHARE PLACING.

THIS PROSPECTUS AND THE INFORMATION IN IT, IS RESTRICTED, AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART TO U.S. PERSONS OR, IN OR INTO THE UNITED STATES, THE EXCLUDED TERRITORIES OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

IMPORTANT INFORMATION ON THE ORDINARY SHARE PLACING FOR INVITED PLACEES ONLY.

THE ORDINARY SHARES THAT ARE THE SUBJECT OF THE ORDINARY SHARE PLACING ARE NOT BEING OFFERED OR SOLD TO ANY PERSON IN THE EU, OTHER THAN TO QUALIFIED INVESTORS, WHICH INCLUDES LEGAL ENTITIES WHICH ARE REGULATED BY THE FCA OR ENTITIES WHICH ARE NOT SO REGULATED WHOSE CORPORATE PURPOSE IS SOLELY TO INVEST IN SECURITIES.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE ORDINARY SHARE PLACING. THIS PART 8 AND THE TERMS AND CONDITIONS SET OUT HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) QUALIFIED INVESTORS; (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) FALL WITHIN ARTICLE 19(5) OF THE ORDER; (II) FALL WITHIN ARTICLE 49(2)(A) TO (D) (“HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC”) OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). THIS PART 8 AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS PART 8 AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

THIS PROSPECTUS IS FOR INFORMATION PURPOSES ONLY AND DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY. THIS PROSPECTUS HAS BEEN ISSUED BY AND IS THE SOLE RESPONSIBILITY OF THE COMPANY.

THIS PROSPECTUS, INCLUDING THIS PART 8, IS NOT AN OFFER FOR SALE OR SUBSCRIPTION IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL UNDER THE SECURITIES LAWS OF ANY SUCH JURISDICTION. THIS PROSPECTUS, INCLUDING THIS PART 8, IS NOT AN OFFER OF OR SOLICITATION TO PURCHASE OR SUBSCRIBE FOR SECURITIES IN THE UNITED STATES.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN ORDINARY SHARES. THE PRICE OF THE ORDINARY SHARES IN THE COMPANY AND THE INCOME FROM THEM (IF ANY) MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE FULL AMOUNT INVESTED ON DISPOSAL OF THE ORDINARY SHARES.

- 1.1 Placees will be deemed to have read and understood this Prospectus and these terms and conditions in its entirety and to be making such offer on the terms and conditions and to be providing the representations, warranties, acknowledgements, and undertakings contained in this document. In particular, each such Placee represents, warrants and acknowledges that:
- (a) it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Ordinary Shares that are allocated to it for the purposes of its business;
 - (b) in the case of any Ordinary Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Ordinary Shares acquired by it have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State of the EEA which has implemented the Prospectus Directive other than Qualified Investors or in circumstances in which the prior consent of Stifel has been given to the offer or resale; or (ii) where Ordinary Shares have been acquired by it on behalf of persons in any Member State of the EEA other than Qualified Investors, the offer of those Ordinary Shares to it is not treated under the Prospectus Directive as having been made to such persons; and/or
 - (c) (i) (1) it is not a U.S. Person, (2) it is not located in the United States, and (3) it is not acquiring the Ordinary Shares for the account or benefit of a U.S. Person; or (ii) it is a dealer or other professional fiduciary in the United States acting for a discretionary account (other than an estate or trust) held for the benefit or account of a non U.S. person

The Company and Stifel will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

- 1.2 This Prospectus does not constitute an offer, and may not be used in connection with an offer, to sell or issue or the solicitation of an offer to buy or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is or may be unlawful. This Prospectus and the information contained herein is not for publication or distribution, directly or indirectly, to persons in the United States, the Excluded Territories or in any jurisdiction in which such publication or distribution is unlawful. Persons who come into possession of this Prospectus are required by the Company to inform themselves about and to observe any restrictions of transfer of this Prospectus. No public offer of securities of the Company is being made in the United Kingdom, the United States or elsewhere.
- 1.3 In particular, the Ordinary Shares referred to in this Prospectus have not been and will not be registered under the U.S. Securities Act or under any laws of, or with any securities regulatory authority of, any state or other jurisdiction of the United States, and may not be offered, sold, resold, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States, and under circumstances that would not result in the Company being in violation of the U.S. Investment Company Act. The Ordinary Shares are only being offered and sold outside the United States in offshore transactions to persons who are not U.S. Persons in accordance with Regulation S under the U.S. Securities Act.
- 1.4 The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Ordinary Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of any of the Excluded Territories. Accordingly, the Ordinary Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the Excluded Territories or any other jurisdiction outside the United Kingdom.

- 1.5 Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Part 8 or the Prospectus of which it forms part should seek appropriate advice before taking any action.

2. DETAILS OF THE ORDINARY SHARE PLACING

- 2.1 Stifel has entered into the Issue Agreement with the Company and the Investment Adviser under which Stifel has, on the terms and subject to the conditions set out therein, undertaken to use its reasonable endeavours to procure, as agent for the Company, subscribers for the Ordinary Shares at the Issue Price.
- 2.2 The Issue Agreement contains customary warranties given by the Company and the Investment Adviser to Stifel as to matters relating to the Company and its business and a customary indemnity given by the Company to Stifel in respect of liabilities arising out of, or in connection with, the Ordinary Share Placing. The Ordinary Share Placing is conditional upon, amongst other things, the Minimum Net Proceeds being raised.
- 2.3 The Company (after consultation with Stifel and the Investment Adviser) reserves the right to scale back the number of Ordinary Shares to be subscribed by any Placee in the event of applications in excess of the target amount under the Ordinary Share Placing and to take account of allocations under the Offer for Subscription and/or Open Offer. The Company and Stifel also reserve the right not to accept offers to subscribe for Ordinary Shares or to accept such offer in part rather than in whole. Stifel shall be entitled to effect the Ordinary Share Placing by such method as they shall in their sole discretion determine. To the fullest extent permissible by law, neither Stifel nor any holding company of Stifel nor any subsidiary branch or affiliate of Stifel (each an Affiliate) nor any person acting on behalf of any of the foregoing shall have any liability to the Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither Stifel, nor any Affiliate thereof nor any person acting on their behalf shall have any liability to Placees in respect of their conduct of the Ordinary Share Placing. No commissions will be paid to Placees or directly by Placees in respect of any Ordinary Shares.
- 2.4 Each Placee's obligations will be owed to the Company and to Stifel. Following the oral confirmation referred to below in paragraph 5, each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to Stifel, to pay to Stifel (or as Stifel may direct) in cleared funds an amount equal to the product of the Issue Price and the number of Ordinary Shares which such Placees has agreed to acquire.
- 2.5 Each Placee agrees to indemnify on demand and hold each of Stifel, the Company, the Investment Manager and the Investment Adviser and their respective Affiliates harmless from any all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the acknowledgments, undertakings, representations, warranties and agreements set forth in these terms and conditions and any Contract Note.
- 2.6 The Ordinary Share Placing is also conditional upon the Issue Agreement becoming unconditional and the Issue Agreement not being terminated in accordance with its terms. Further details of conditions in relation to the Ordinary Share Placing are set out in paragraph 9 of this Part 8.

3. APPLICATION FOR ADMISSION TO TRADING

Application will be made to the UK Listing Authority and the London Stock Exchange for Admission. Subject to, amongst other things, the Minimum Net Proceeds having been raised under the Issue, it is expected that settlement of any such Ordinary Shares and Admission will become effective on or around 8.00 a.m. on 31 May 2017 and that dealings in the Ordinary Shares will commence at that time.

4. PAYMENT FOR SHARES

Each Placee must pay the Issue Price for the Ordinary Shares issued to the Placee in the manner and by the time directed by Stifel. If any Placee fails to pay as so directed and/or by the time directed, the relevant Placee's application for Ordinary Shares shall at Stifel's discretion either be rejected or accepted in which case paragraph 9.5 of this Part 8 shall apply to such application.

5. PARTICIPATION IN, AND PRINCIPAL TERMS OF, THE ORDINARY SHARE PLACING

- 5.1 Stifel (whether through itself or any of its affiliates) is arranging the Ordinary Share Placing as placing agent of the Company for the purpose of using reasonable endeavours to procure Placees at the Issue Price for the Ordinary Shares.
- 5.2 Participation in the Ordinary Share Placing will only be available to persons who may lawfully be, and are, invited to participate by Stifel. Stifel and its affiliates may participate in the Ordinary Share Placing as principal.
- 5.3 This Part 8 gives details of the terms and conditions of, and the mechanics of participation in, the Ordinary Share Placing. No commissions will be paid to Placees or by Placees in respect of any Ordinary Shares.
- 5.4 The Issue Price will be a fixed price of 105.5 pence per new Ordinary Share.
- 5.5 Each Placee's allocation will be confirmed to Placees orally by Stifel, and a trade confirmation or contract note will be dispatched as soon as possible thereafter. The oral confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of Stifel and the Company, under which it agrees to acquire the number of Ordinary Shares allocated to it at the Issue Price on the terms and conditions set out in this Part 8 and in accordance with the Articles.
- 5.6 Except as required by law or regulation, no press release or other announcement will be made by Stifel or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
- 5.7 Irrespective of the time at which a Placee's allocation pursuant to the Ordinary Share Placing is confirmed, settlement for all Ordinary Shares to be acquired pursuant to the Ordinary Share Placing will be required to be made at the same time, on the basis explained below under paragraph 9 of this Part 8.
- 5.8 All obligations under the Ordinary Share Placing will be subject to fulfilment or (where applicable) waiver of, amongst other things, the conditions referred to below in paragraph 6 below and to the Ordinary Share Placing not being terminated on the basis referred to below in paragraph 7 below.
- 5.9 By participating in the Ordinary Share Placing, each Placee will agree that its rights and obligations in respect of the Ordinary Share Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
- 5.10 To the fullest extent permissible by law, none of the Company, Stifel or any of their respective affiliates shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise of these terms and conditions). In particular, none of the Company, Stifel or any of their respective affiliates shall have any liability (including to the fullest extent permissible by law, any fiduciary duties) in respect of Stifel's conduct of the Ordinary Share Placing. Each Placee acknowledges and agrees that the Company is responsible for the allotment of the Ordinary Shares to the Placees and Stifel shall have no liability to the Placees for the failure of the Company to fulfil those obligations.

6. CONDITIONS OF THE PLACING

- 6.1 The Ordinary Share Placing is conditional upon the Issue Agreement becoming unconditional and not having been terminated in accordance with its terms.
- 6.2 Stifel's obligations under the Issue Agreement in respect of the Ordinary Shares are conditional on, *inter alia*:
- (a) the Company allotting, subject only to Admission, the Ordinary Shares in accordance with the Issue Agreement;
 - (b) Admission taking place not later than 8.30 a.m. on 31 May 2017; and
 - (c) the Minimum Net Proceeds having been raised.
- 6.3 If (a) any of the conditions contained in the Issue Agreement in relation to the Ordinary Shares are not fulfilled or waived by Stifel by the respective time or date where specified (or such later time or date as the Company and Stifel may agree not being later than 8.30 a.m. on 31 July 2017 (the "**Final Date**")); or (b) the Issue Agreement is terminated as described below, the Ordinary Share Placing in relation to the Ordinary Shares will lapse and the Placee's rights and obligations hereunder in relation to the Ordinary Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.
- 6.4 Subject to certain exceptions, Stifel may, at its absolute discretion and upon such terms as it thinks fit, waive, or extend the period (up to the Final Date) for, compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Issue Agreement. Any such extension or waiver will not affect Placees' commitments as set out in this Prospectus.
- 6.5 Neither Stifel nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Ordinary Share Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Ordinary Share Placing generally and by participating in the Ordinary Share Placing each Placee agrees that any such decision is within the absolute discretion of Stifel.

7. RIGHT TO TERMINATE UNDER THE ISSUE AGREEMENT

- 7.1 Stifel is entitled, at any time before Admission, to terminate the Issue Agreement by giving notice to the Company in certain circumstances, including, *inter alia*:
- (a) in the opinion of Stifel (acting in good faith), the Company fails to comply with any of its obligations under the Issue Agreement and that failure is material in the context of the Ordinary Share Placing; or
 - (b) in the opinion of Stifel (acting in good faith), there has been a development or event (or any development or event involving a prospective change of which the Company is, or might reasonably be expected to be, aware) which will or is reasonably likely to have a material adverse effect on or affecting the operations, the condition (financial or otherwise), prospects, management, results of operations, financial position, business or general affairs of the Company or of the Group respectively whether or not foreseeable and whether or not arising in the ordinary course of business, which in each case is material in the context of the Ordinary Share Placing; or
 - (c) there has been a change in national or international financial, political, economic or stock market conditions (primary or secondary); an incident of terrorism, outbreak or escalation of hostilities, war, declaration of martial law or any other calamity or crisis; a suspension or material limitation in trading of securities generally on any stock exchange; any change in currency exchange rates or exchange controls or a disruption of settlement systems or a material disruption in commercial banking, in each case as would be likely in the opinion of Stifel (acting in good faith) to materially prejudice the success of the Ordinary Share Placing.

- 7.2 Following Admission, the Issue Agreement is not capable of termination to the extent that it relates to the Ordinary Share Placing of the Ordinary Shares.
- 7.3 The rights and obligations of the Placees shall terminate only in the circumstances described in these terms and conditions and in the Issue Agreement and will not be subject to termination by the Placee or any prospective Placee at any time or in any circumstances. By participating in the Ordinary Share Placing, Placees agree that the exercise by Stifel of any right of termination or other discretion under the Issue Agreement shall be within the absolute discretion of Stifel, and that it need not make any reference to Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise or decision not to exercise. Placees will have no rights against Stifel, the Company or any of their respective directors or employees under the Issue Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 (as amended).

8. PROSPECTUS

- 8.1 This Prospectus has been published in connection with the Issue. The Prospectus has been approved by the FCA. A Placee may only rely on the information contained in this Prospectus in deciding whether or not to participate in the Ordinary Share Placing.
- 8.2 Each Placee, by accepting a participating in the Ordinary Share Placing, agrees that the content of this Prospectus is exclusively the responsibility of the Directors and the Company and the person stated therein as accepting responsibility for the Prospectus and confirms to Stifel, the Company, the Investment Adviser and the Investment Manager that it has not relied on any information, representation, warranty or statement made by or on behalf of Stifel (other than the amount of the relevant Ordinary Share Placing participation in the oral confirmation given to Placees and the trade confirmation referred to below), any of their respective Affiliates, any persons acting on behalf of the Company, the Investment Manager or the Investment Adviser other than this Prospectus and neither Stifel, nor any of its Affiliates, nor any person acting on its behalf will be liable for the decision of any Placee to participate in the Ordinary Share Placing based on any other information, representation, warranty or statement which the Placee may have obtained or received (regardless of whether or not such information, representation, warranty or statement was given or made by or on behalf of any such persons) other than this Prospectus. By participating in the Ordinary Share Placing, each Placee acknowledges to and agrees with Stifel for itself and as agent for the Company that, except in relation to the information contained in this Prospectus, it has relied on its own investigation of the business, financial or other position of the Company in deciding to participate in the Ordinary Share Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

9. REGISTRATION AND SETTLEMENT

- 9.1 Settlement of transactions in the Ordinary Shares (ISIN: GG00BV54HY67) following Admission will take place within CREST provided that, subject to certain exceptions, Stifel reserves the right to require settlement for, and delivery of, the Ordinary Shares (or a portion thereof) to Placees by such other means that it deems necessary if delivery or settlement is not possible or practicable within CREST within the timetable set out in this Prospectus or would not be consistent with the regulatory requirements in any Placee's jurisdiction.
- 9.2 Each Placee allocated Ordinary Shares in the Ordinary Share Placing will be sent a trade confirmation or contract note stating the number of Ordinary Shares allocated to it at the Issue Price, the aggregate amount owed by such Placee to Stifel (as agent for the Company) and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the CREST or certificated settlement instructions that it has in place with Stifel.
- 9.3 It is expected that settlement in respect of the Ordinary Shares will be on or around 31 May 2017 on a T+2 basis in accordance with the instructions set out in the trade confirmation.

- 9.4 Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above Libor as determined by Stifel.
- 9.5 Each Placee is deemed to agree that, if it does not comply with these obligations, Stifel may sell any or all of the Ordinary Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for Stifel's account and benefit (as agent for the Company), an amount equal to the aggregate amount owed by the Placee plus any interest due. Any excess proceeds will pass to the relevant Placee at its risk. The relevant Placee will, however, remain liable and shall indemnify Stifel on demand for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax or securities transfer tax (together with any interest or penalties) which may arise upon the sale of such Ordinary Shares on such Placee's behalf. By communicating a bid for Ordinary Shares, each Placee confers on Stifel all such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which Stifel lawfully takes in pursuance of such sale.
- 9.6 If Ordinary Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation or contract note is copied and delivered immediately to the relevant person within that organisation.
- 9.7 Insofar as Ordinary Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Ordinary Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax or securities transfer tax. Placees will not be entitled to receive any fee or commission in connection with the Ordinary Share Placing.

10. REPRESENTATIONS, WARRANTIES AND FURTHER TERMS

- 10.1 By participating in the Ordinary Share Placing, each Placee (and any person acting on such Placee's behalf) makes the following representations, warranties, acknowledgements, agreements and undertakings (as the case may be) to the Company and Stifel, namely that, each Placee (and any person acting on such Placee's behalf):
- (a) represents and warrants that it has read and understood the Prospectus, including this Part 8, in its entirety and that its subscription of Ordinary Shares is subject to, and based upon, all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Prospectus;
 - (b) acknowledges that none of Stifel, the Company, any of their respective affiliates or any person acting on behalf of any of them has provided it, and will not provide it, with any material regarding the Ordinary Shares or the Company other than this Prospectus; nor has it requested any of Stifel, the Company, their respective affiliates or any person acting on behalf of any of them to provide it with any such information;
 - (c) acknowledges that the content of this Prospectus is exclusively the responsibility of the Company, and that none of Stifel, its affiliates or any person acting on its or their behalf has or shall have any liability for any information, representation or statement contained in this Prospectus or any information previously or concurrently published by or on behalf of the Company, and will not be liable for any Placee's decision to participate in the Ordinary Share Placing based on any information, representation or statement contained in this Prospectus or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Ordinary Shares is contained in this Prospectus, such information being all that it deems necessary to make an investment decision in respect of the Ordinary Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by Stifel, the Company or any of their respective directors, officers or

employees or any person acting on behalf of any of them, or, if received, it has not relied upon any such information, representations, warranties or statements (including any management presentation that may have been received by any prospective Placee or any material prepared by the Research Department of Stifel (the views of such Research Department not representing and being independent from those of the Company and the Corporate Finance Department of Stifel and not being attributable to the same)), and neither Stifel nor the Company will be liable for any Placee's decision to accept an invitation to participate in the Ordinary Share Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it may not place the same degree of reliance on this Prospectus as it may otherwise place on a prospectus or admission document. Each Placee further acknowledges and agrees that it has relied solely on its own investigation of the business, financial or other position of the Company in deciding to participate in the Ordinary Share Placing and it will not rely on any investigation that Stifel, its affiliates or any other person acting on its or their behalf has or may have conducted;

- (d) represents and warrants that it has neither received nor relied on any confidential price sensitive information concerning the Company in accepting this invitation to participate in the Ordinary Share Placing;
- (e) acknowledges that Stifel does not have any duties or responsibilities to it, or its clients, similar or comparable to the duties of "best execution" and "suitability" imposed by the Conduct of Business Sourcebook in the FCA's Handbook of Rules and Guidance and that Stifel is not acting for it or its clients and that Stifel will not be responsible for providing protections to it or its clients;
- (f) acknowledges that none of Stifel, any of its affiliates or any person acting on behalf of it or them has or shall have any liability for the Prospectus, any publicly available or filed information or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
- (g) that, save in the event of fraud on the part of Stifel (and to the extent permitted by the FCA), neither Stifel, its ultimate holding company nor any direct or indirect subsidiary undertakings of that holding company, nor any of their respective directors and employees shall be liable to Placees for any matter arising out of Stifel's role as placing agent or otherwise in connection with the Ordinary Share Placing and that where any such liability nevertheless arises as a matter of law, Placees will immediately waive any claim against any of such persons which you may have in respect thereof;
- (h) represents and warrants that (i) it is not in the United States; (ii) it is not a U.S. Person; and (iii) it is not acting for the account or benefit of a U.S. Person;
- (i) acknowledges that the Ordinary Shares are only being offered and sold outside the United States in offshore transactions to persons who are not U.S. Persons pursuant to Regulation S under the U.S. Securities Act, and the Ordinary Shares have not been and will not be registered under the U.S. Securities Act or under any laws of, or with any securities regulatory authority of, any state or other jurisdiction of the United States, and agrees not to reoffer, resell, pledge, transfer or deliver any Ordinary Shares, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States;
- (j) unless otherwise specifically agreed in writing with Stifel, represents and warrants that neither it nor the beneficial owner of such Ordinary Shares will be a resident of Excluded Territories;

- (k) acknowledges that the Ordinary Shares have not been and will not be registered under the securities legislation of Excluded Territories and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within those jurisdictions;
- (l) represents and warrants that the issue to it, or the person specified by it for registration as holder, of Ordinary Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Ordinary Shares are not being acquired in connection with arrangements to issue depository receipts or to transfer Ordinary Shares into a clearance system;
- (m) represents and warrants that: (i) it has complied with and will continue to comply with its obligations under the Market Abuse Regulation (EU) No. 596/2014, Criminal Justice Act 1993 and Part VIII of FSMA and other applicable law; (ii) in connection with money laundering and terrorist financing, it has complied with its obligations under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law 1999 and other applicable law, the Terrorism Act 2006 and the Money Laundering Regulations 2007; and (iii) it is not a person: (1) with whom transactions are prohibited under the Foreign Corrupt Practices Act of 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury; (2) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (3) subject to financial sanctions imposed pursuant to a regulation of the EU or a regulation adopted by the United Nations (together, the “**Regulations**”); and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to Stifel such evidence, if any, as to the identity or location or legal status of any person which Stifel may request from it in connection with the Ordinary Share Placing (for the purpose of complying with such Regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by Stifel on the basis that any failure by it to do so may result in the number of Ordinary Shares that are to be purchased by it or at its direction pursuant to the Ordinary Share Placing being reduced to such number, or to nil, as Stifel may decide at its sole discretion;
- (n) if a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, represents and warrants that the Ordinary Shares purchased by it in the Ordinary Share Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a Member State of the EEA which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the prior consent of Stifel has been given to the offer or resale;
- (o) represents and warrants that it has not offered or sold and will not offer or sell any Ordinary Shares to persons in the EEA prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the EEA within the meaning of the Prospectus Directive (including any relevant implementing measure in any member state);
- (p) represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Ordinary Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;

- (q) represents and warrants that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Ordinary Shares in, from or otherwise involving, the United Kingdom;
- (r) if in a Member State of the EEA, unless otherwise specifically agreed with Stifel in writing, represents and warrants that it is a Qualified Investor within the meaning of the Prospectus Directive;
- (s) if in the United Kingdom, represents and warrants that it is a person (i) who has professional experience in matters relating to investments falling within Article 19(1) of the Order; (ii) falling within Article 49(2)(A) to (D) (“High Net Worth Companies, Unincorporated Associations, etc.”) of the Order; or (iii) to whom this Prospectus may otherwise be lawfully communicated;
- (t) represents and warrants that it and any person acting on its behalf is entitled to acquire the Ordinary Shares under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities and taken any other necessary actions to enable it to commit to this participation in the Ordinary Share Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Prospectus) and will honour such obligations;
- (u) where it is acquiring Ordinary Shares for one or more managed accounts, represents and warrants that it is authorised in writing by each managed account: (i) to acquire the Ordinary Shares for each managed account; (ii) to make on its behalf the representations, warranties, acknowledgements, undertakings and agreements in this Part 8 and the Prospectus of which it forms part; and (iii) to receive on its behalf any investment letter relating to the Ordinary Share Placing in the form provided to it by Stifel;
- (v) undertakes that it (and any person acting on its behalf) will make payment for the Ordinary Shares allocated to it in accordance with this Prospectus on the due time and date set out herein, failing which the relevant Ordinary Shares may be placed with other subscribers or sold as Stifel may in its sole discretion determine and without liability to such Placee and it will remain liable and will indemnify Stifel on demand for any shortfall below the net proceeds of such sale and the placing proceeds of such Ordinary Shares and may be required to bear the liability for any stamp duty or stamp duty reserve tax or security transfer tax (together with any interest or penalties due pursuant to or referred to in these terms and conditions) which may arise upon the placing or sale of such Placee’s Ordinary Shares on its behalf;
- (w) acknowledges that none of Stifel, any of its affiliates, or 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 Ordinary Share Placing and that participation in the Ordinary Share Placing is on the basis that it is not and will not be treated for these purposes as a client of Stifel and that Stifel has no duties or responsibilities to it for providing the protections afforded to their respective clients or customers or for providing advice in relation to the Ordinary Share Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Issue Agreement nor for the exercise or performance of any of their rights and obligations thereunder, including any rights to waive or vary any conditions or exercise any termination right;
- (x) undertakes that the person whom it specifies for registration as holder of the Ordinary Shares will be (i) itself; or (ii) its nominee, as the case may be. Neither Stifel nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Ordinary Share Placing and it agrees to indemnify the Company and Stifel in respect of the same on the basis that the Ordinary Shares will be allotted to the CREST stock account of Stifel who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;

- (y) acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions and any non-contractual obligations arising out of or in connection with such agreement shall be governed by and construed in accordance with the laws of England and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter (including non-contractual matters) arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Ordinary Shares (together with any interest chargeable thereon) may be taken by the Company or Stifel in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
- (z) acknowledges that time shall be of the essence as regards to obligations pursuant to this Part 8;
- (aa) agrees that the Company, Stifel and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to Stifel on its own behalf and on behalf of the Company and are irrevocable and are irrevocably authorised to produce this Prospectus or a copy thereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby;
- (bb) agrees to indemnify on an after-tax basis and hold the Company, Stifel and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Part 8 and further agrees that the provisions of this Part 8 shall survive after completion of the Ordinary Share Placing;
- (cc) acknowledges that no action has been or will be taken by any of the Company, Stifel or any person acting on behalf of the Company or Stifel that would, or is intended to, permit a public offer of the Ordinary Shares in any country or jurisdiction where any such action for that purpose is required;
- (dd) acknowledges that it is an institution that has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Ordinary Shares. It further acknowledges that it is experienced in investing in securities of this nature and in this sector and is aware that it may be required to bear, and it, and any accounts for which it may be acting, are able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Ordinary Share Placing. It has relied upon its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Ordinary Share Placing, including the merits and risks involved;
- (ee) acknowledges that its commitment to subscribe for Ordinary Shares on the terms set out herein and in the trade confirmation or contract note will continue, notwithstanding any amendment that may in the future be made to the terms of the Ordinary Share Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's conduct of the Ordinary Share Placing;
- (ff) acknowledges that Stifel or any of its affiliates acting as an investor for its own account may take up shares in the Company and in that capacity may retain, purchase or sell for its own account such shares and may offer or sell such shares other than in connection with the Ordinary Share Placing;
- (gg) represents and warrants that, if it is a pension fund or investment company, its purchase of Ordinary Shares is in full compliance with all applicable laws and regulation; and
- (hh) to the fullest extent permitted by law, it acknowledges and agrees to the disclaimers contained in the Prospectus, including this Part 8.

- 10.2 The representations, warranties, acknowledgments and undertakings contained in this Part 8 are given to Stifel and the Company and are irrevocable and shall not be capable of termination in any circumstances.
- 10.3 The agreement to settle a Placee's subscription (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Ordinary Shares in question. Such agreement assumes that the Ordinary Shares are not being subscribed for in connection with arrangements to issue depositary receipts or to transfer the Ordinary Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other subsequent dealing in the Ordinary Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor Stifel will be responsible, and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Ordinary Share Placing as an agent or nominee) the allocation, allotment, issue or delivery of Ordinary Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and Stifel in the event that any of the Company and/or Stifel has incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify Stifel accordingly.
- 10.4 In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription by them of any Ordinary Shares or the agreement by them to subscribe for any Ordinary Shares.
- 10.5 Each Placee, and any person acting on behalf of the Placee, acknowledges that Stifel does not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Issue Agreement.
- 10.6 Each Placee and any person acting on behalf of the Placee acknowledges and agrees that Stifel or any of its affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Ordinary Shares.
- 10.7 When a Placee or person acting on behalf of the Placee is dealing with Stifel, any money held in an account with Stifel on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Stifel's money in accordance with the client money rules and will be used by Stifel in the course of its own business and the Placee will rank only as a general creditor of Stifel.
- 10.8 All times and dates in this Prospectus may be subject to amendment. Stifel shall notify the Placees and any person acting on behalf of the Placees of any changes.
- 10.9 Past performance is no guide to future performance and persons needing advice should consult an appropriately qualified independent financial adviser.
- 10.10 Stifel is entitled, at its discretion and out of its own resources, at any time to rebate to some or all of its investors, or to other parties (including the Investment Adviser), part or all of its fees relating to the Issue.

PART 9

TERMS AND CONDITIONS OF THE OFFER FOR SUBSCRIPTION

1. INTRODUCTION

- 1.1 The Ordinary Shares are only suitable for investors who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in Ordinary Shares is part of a diversified investment programme and who fully understand and are willing to assume the risks involved in such an investment programme.
- 1.2 In the case of a joint Application, references to you in these terms and conditions of Application are to each of you, and your liability is joint and several. Please ensure you read these terms and conditions in full before completing the Offer for Subscription Application Form.

2. OFFER TO ACQUIRE SHARES

2.1 *The Terms and Conditions*

- (a) The contract created by the acceptance of a Subscription Application under the Offer for Subscription will be conditional on:
- (i) Admission becoming effective by not later than 8.30 a.m. on 31 May 2017 (or such later date as may be provided for in accordance with the terms of the Issue Agreement referred to in paragraph 9.1 of Part 12 of this Prospectus);
 - (ii) the Issue Agreement referred to in paragraph 9.1 of Part 12 of this Prospectus becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective; and
 - (iii) satisfaction of the conditions set out in paragraph 11 of Part 7 of this Prospectus.
- (b) The Company reserves the right to present all cheques and banker's drafts for payment on receipt and to retain application monies and refrain from delivering an Applicant's Ordinary Shares into CREST, pending clearance of the successful Applicant's cheques or banker's drafts. The Company also reserves the right to reject in whole or part, or to scale down or limit, any Application. The Company may treat Applications as valid and binding if made in accordance with the prescribed instructions and the Company may, at its discretion, accept an Application in respect of which payment is not received by the Company prior to the closing of the Offer for Subscription. If any Application is not accepted in full or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance thereof will be returned (without interest) by returning each relevant Applicant's cheque or banker's draft or by crossed cheque in favour of the first Applicant through the post at the risk of the person(s) entitled thereto. In the meantime, application monies will be retained by the Receiving Agent in a separate account.
- (c) The subscription price per Ordinary Share is 105.5 pence.
- 2.2 To ensure compliance with the Money Laundering Regulations, the Company (or any of its agents) may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf an Offer for Subscription Application Form is lodged with payment. If the Offer for Subscription Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Company (or any of its agents).

- 2.3 The person lodging the Offer for Subscription Application Form with payment and in accordance with the other terms as described above, including any person who appears to the Company (or any of its agents) to be acting on behalf of some other person, accepts the Offer for Subscription in respect of such number of offered Ordinary Shares as is referred to therein and shall thereby be deemed to agree to provide the Company (or any of its agents) with such information and other evidence as the Company (or any of its agents) may require to satisfy the verification of identity requirements.
- 2.4 If the Company (or any of its agents) determines that the verification of identity requirements apply to any Application, the relevant Ordinary Shares (notwithstanding any other term of the Offer for Subscription) will not be issued to the relevant Applicant unless and until the verification of identity requirements have been satisfied in respect of that Applicant (or any beneficial holder) or Application. The Company (or any of its agents) is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any Application and whether such requirements have been satisfied, and neither the Company nor any agent of it will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.
- 2.5 If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Company (or any of its agents) has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant Application as invalid, in which event the monies payable on acceptance of the Offer for Subscription will be returned (at the Applicant's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.
- 2.6 Submission of an Offer for Subscription Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Administrator and the Receiving Agent from the Applicant that the Money Laundering Regulations will not be breached by application of such remittance. The verification of identity requirements will not usually apply:
- (a) if the Applicant is an organisation required to comply with the Money Laundering Directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing; or
 - (b) if the Applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
 - (c) if the aggregate subscription price for the offered Ordinary Shares for which the application is made exceeds €15,000 (or its Sterling equivalent, being approximately £12,000).
- 2.7 In other cases, the verification of identity requirements may apply. If the Offer for Subscription Application Form is lodged with payment by a regulated financial services firm (being a person or institution) (the "**Firm**") which is located in Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Guernsey, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, the Republic of South Africa, Spain, Sweden, Switzerland, the UK or the United States of America, the Firm should provide with the Offer for Subscription Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Company (or any of its agents). If the Firm is not such an organisation, it should contact the Receiving Agent. To confirm the acceptability of any written assurance referred to above, or in any other case, the Applicant should call the Shareholder Helpline on 0370 707 4040 or +44 370 707 4040 if calling from outside the United Kingdom. Lines are open 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls may be recorded and monitored for security and training purposes. The helpline cannot provide advice on the merits of any proposals to invest in the Company nor give any financial, legal or tax advice.

- 2.8 If the Offer for Subscription Application Form(s) is/are in respect of Ordinary Shares with an aggregate subscription price of €15,000 (or its Sterling equivalent, being approximately £12,000) and is/are lodged by hand by the Applicant in person, or if the Offer for Subscription Application Form(s) in respect of Ordinary Shares is/are lodged by hand by the Applicant and the accompanying payment is not the Applicant's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.
- 2.9 If, within a reasonable period of time following a request for verification of identity, and in any case by 3.00 p.m. on 24 May 2017, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, as agent of the Company and upon instruction from the Company, reject the relevant Application, in which event the monies submitted in respect of that Application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).
- 2.10 All payments must be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom of a bank or a building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by those companies or committees: cheques and banker's 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 CIS PLC RE: "Sequoia Economic Infrastructure Income Fund Limited Offer for Subscription A/C" in respect of an Application and crossed "A/C Payee Only". Cheques should be for the full amount payable on Application. Post-dated cheques will not be accepted. If you wish to make payment electronically please contact Computershare at sequoia@computershare.co.uk, which will provide you with the necessary bank account details and a reference number to quote when making payment. Applicants choosing to settle via CREST, that is DVP will need to match their instructions to Computershare's participant account 3RA54 by no later than 1.00 p.m. on 26 May 2017, allowing for the delivery and acceptance of Ordinary Shares to be made against payment of the Issue Price per Ordinary Share, following the CREST matching criteria set out in the Application Form.
- 2.11 Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect. The account name should be the same as that shown on the Offer for Subscription Application Form.
- 2.12 The following is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of an Offer for Subscription Application Form (but without limiting the Receiving Agent's right to require verification of identity as indicated above). Applicants should make payment by a cheque drawn on an account in their own name and write their name and address on the back of the banker's draft or cheque and, in the case of an individual, record his date of birth against his name; banker's drafts should be duly endorsed by the bank or building society on the reverse of the cheque as described above.
- 2.13 By completing and delivering an Offer for Subscription Application Form, you, as the Applicant (and, if you sign the Offer for Subscription Application Form on behalf of somebody else or a corporation, that person or corporation, except as referred to in paragraph 2.13(i) below):
- (a) agree to subscribe for the number of Ordinary Shares specified in your Offer for Subscription Application Form (or such lesser number for which your Application is accepted) on the terms of and subject to this Prospectus, including these terms and conditions, and subject to the Articles;

- (b) agree that, in consideration of the Company agreeing to process your Application, your Application cannot be revoked (subject to any legal right to withdraw your application which arises as a result of the publication of a supplementary prospectus) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand during normal business hours only) on receipt by, the Receiving Agent of your Offer for Subscription Application Form;
- (c) agree and warrant that your cheque or banker's draft may be presented for payment on receipt and will be honoured on first presentation and agree that if it is not so honoured, you will not be entitled to receive the Ordinary Shares until you make payment in cleared funds for the Ordinary Shares and such payment is accepted by the Company in its absolute discretion (which acceptance shall be on the basis that you indemnify it, and the Receiving Agent, against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by the Company of such late payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe for such Ordinary Shares and may issue or allot such Ordinary Shares to some other person, in which case you will not be entitled to any payment in respect of such Ordinary Shares other than the refund to you at your risk of the proceeds (if any) of the cheque or banker's draft accompanying your Application, without interest;
- (d) agree that (i) any monies returnable to you may be retained, pending clearance of your remittance and the completion of any verification of identity required by the Money Laundering Regulations; and (ii) monies pending allocation will be retained in a separate account and that such monies will not bear interest;
- (e) undertake to provide satisfactory evidence of your identity within such reasonable time (in each case to be determined in the absolute discretion of the Company and the Receiving Agent) to ensure compliance with the Money Laundering Regulations;
- (f) agree that, in respect of those Ordinary Shares for which your Application has been received and is not rejected, acceptance of your Application shall be constituted, at the election of the Company, either (i) by notification to the UK Listing Authority and the London Stock Exchange of the basis of allocation (in which case acceptance shall be on that basis); or (ii) by notification of acceptance thereof to the Receiving Agent;
- (g) authorise the Receiving Agent to procure that your name (together with the name(s) of any other joint Applicant(s)) is/are placed on the register of members of the Company in respect of such Ordinary Shares and to send a crossed cheque for any monies returnable by post without interest, at the risk of the persons entitled thereto, to the address of the person (or in the case of joint holders, the first-named person) named as an Applicant in the Offer for Subscription Application Form;
- (h) acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in this Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Receiving Agent, or any of their affiliates or any other person;
- (i) warrant that, if you sign the Offer for Subscription Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person or corporation, and such person or corporation will also be bound accordingly and will be deemed to have given the confirmations, warranties and undertakings contained herein and undertake to enclose your power of attorney, or a copy thereof duly certified by a solicitor or bank, with the Offer for Subscription Application Form;
- (j) agree that all Applications, acceptances of Applications and contracts resulting from such acceptances shall be governed by, and construed in accordance with, English law, and that you

submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;

- (k) confirm that in making such Application, neither you nor any person on whose behalf you are applying are relying on any information or representation in relation to the Company other than the information contained in this Prospectus and, accordingly, you agree that no person (responsible solely or jointly for this Prospectus or any part thereof or involved in the preparation thereof) shall have any liability for any such information or representation;
- (l) confirm that your Application is made solely on the terms of this Prospectus (and the documents incorporated by reference) and subject to the Articles;
- (m) irrevocably authorise the Company or any person authorised by it to do all things necessary to effect registration of any Ordinary Shares subscribed by or issued to you into your name(s) or into the name(s) of any person(s) in whose favour the entitlement to any such Ordinary Shares has been transferred and authorise any representative of the Company to execute any document required therefor;
- (n) agree that, having had the opportunity to read this Prospectus, you shall be deemed to have had notice of all information and representations concerning the Company and the Ordinary Shares contained therein;
- (o) confirm that you have reviewed the restrictions contained in these terms and conditions;
- (p) warrant that, if you are an individual, you are not under the age of 18;
- (q) agree that all documents and cheques sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at the risk of the person(s) entitled thereto;
- (r) warrant that, in connection with your Application, you have observed the laws of all relevant territories, obtained any requisite governmental or other consents, 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 which will or may result in the Company or any person responsible solely or jointly for the prospectus or any part of it or involved in the preparation thereof acting in breach of the regulatory or legal requirements of any territory (including in particular FSMA) in connection with the Offer for Subscription or your Application;
- (s) save where you have satisfied the Company that an appropriate exemption applies so as to permit you to subscribe, represent and agree that you are not a U.S. Person or a resident of an Excluded Territory and that you are not located in the United States; and
- (t) agree, on request by the Company or the Receiving Agent on behalf of the Company, to disclose promptly in writing to the Company or the Receiving Agent any information which the Company or the Receiving Agent may reasonably request in connection with your Application, and authorise the Company or the Receiving Agent on behalf of the Company to disclose any information relating to your Application as it considers appropriate.

2.14 If you are applying on behalf of someone else, you will not, and will procure that none of your affiliates will, circulate, distribute, publish or otherwise issue (or authorise any other person to issue) any document or information in connection with the Issue, or make any announcement or comment (whether in writing or otherwise) which states or implies that it has been issued or approved by or prepared in conjunction with the Company or any person responsible solely or jointly for this Prospectus or any part thereof or involved in the preparation thereof or which contains any untrue statement of material fact or is misleading or which omits to state any material fact necessary in order to make the statements therein not misleading.

- 2.15 No person receiving a copy of this Prospectus and/or an Offer for Subscription Application Form in any territory other than the UK may treat the same as constituting an invitation or an offer to him; nor should he in any event use an Offer for Subscription Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or the Offer for Subscription Application Form could lawfully be used without contravention of any, or in compliance with, any unfulfilled registration or other legal or regulatory requirements. It is the responsibility of any person outside the UK wishing to apply for Ordinary Shares under the Offer for Subscription to satisfy himself as to full observance of the laws of any relevant territory in connection with any such Application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in any such territory and paying any issue, transfer or other taxes required to be paid in any such territory.
- 2.16 The Ordinary Shares have not been and will not be registered under the U.S. Securities Act or under any laws of, or with any securities regulatory authority of, any state or other jurisdiction of the United States, and may not be offered, sold, resold, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. The Company has not been and will not be registered as an “investment company” under the U.S. Investment Company Act nor will either the Investment Manager or the Investment Adviser be registered as an investment adviser under the U.S. Investment Advisers Act. Consequently, investors will not be entitled to the benefits and protections of the U.S. Investment Company Act or the U.S. Investment Advisers Act. In addition, relevant clearances have not been, and will not be, obtained from the securities commission (or equivalent) of any province of an Excluded Territory and, accordingly, unless an exemption under any relevant legislation or regulations is applicable, none of the Ordinary Shares may be offered, sold, renounced, transferred or delivered, directly or indirectly in an Excluded Territory. Unless the Company has expressly agreed otherwise in writing, you represent and warrant to the Company (A) that you are (i) not a U.S. Person and not located in the United States; (ii) not a resident of an Excluded Territory; and (iii) not subscribing for such Ordinary Shares for the account or benefit of any U.S. Person or resident of an Excluded Territory and (B) that you will not offer, sell, transfer or deliver, directly or indirectly, Ordinary Shares subscribed for by you in the United States or an Excluded Territory or to, or for the account or benefit of, any U.S. Person or resident of an Excluded Territory. Subject to certain exceptions, no Application will be accepted if it bears an address in the United States or an Excluded Territory unless an appropriate exemption is available as referred to above.
- 2.17 Pursuant to the DP Law, the Company, the Investment Manager, the Investment Adviser, the Administrator and/or the Registrar may hold personal data (as defined in the DP Law) relating to past and present Shareholders. Such personal data processed by the Company, the Investment Manager, the Investment Adviser, the Administrator or the Registrar may be used for such purposes in connection with the Company which may include, without limitation, processing personal data for the purposes of providing services in connection with the Company and its Shareholders, carrying out money laundering checks or conflict checks, maintaining the Company’s register of Shareholders and mailing lists, effecting the payment of dividends to Shareholders and the payment of commissions to third parties and filing returns of Shareholders and their respective transactions in Shares and otherwise complying with any legal or regulatory obligations. This may include sharing such data with third parties in one or more countries mentioned in paragraph 2.18 below. Personal data may be retained on record for a period exceeding six years after it is no longer used.
- 2.18 The countries referred to in paragraph 2.17 above include, but need not be limited to, those in the EEA and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Guernsey, Hong Kong, India, Japan, New Zealand, Republic of Korea, Russian Federation, Singapore, South Africa, Switzerland and the United States.

- 2.19 By becoming registered as a holder of Ordinary Shares in the Company, a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company, the Investment Manager, the Investment Adviser, the Administrator and/or the Registrar of any personal data relating to them in the manner described above.
- 2.20 The basis of allocation will be determined by Stifel (following consultation with the Company and the Investment Adviser), at their absolute discretion. The right is reserved to reject in whole or in part and/or scale down and/or ballot any Application or any part thereof. The right is reserved to treat as valid any Application not in all respects completed in accordance with the instructions relating to the Offer for Subscription Application Form, including if the accompanying cheque or banker's draft is for the wrong amount.
- 2.21 Qualifying Shareholders wishing to exercise or direct the exercise of statutory withdrawal rights pursuant to Section 87Q(4) of FSMA after the issue by the Company of a prospectus supplementary to this document must do so by lodging a written notice of withdrawal within two Business Days commencing on the Business Day after the date on which the supplementary prospectus is published. The withdrawal notice must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such person is a CREST member, the participant ID and the member account ID of such CREST member. The notice of withdrawal must be deposited by post with the Receiving Agent, Computershare Investor Services PLC, Corporate Action Projects, Bristol BS99 6AH or by hand only (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, so as to be received before the end of the withdrawal period. Please call Computershare Investor Services PLC on 0370 707 4040 from within the UK or on + 44 370 707 4040 if calling from outside the UK. Lines are open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice. Notice of withdrawal given by any other means or which is deposited with the Registrar after expiry of such period will not constitute a valid withdrawal, provided that the Company will not permit the exercise of withdrawal rights after payment by the relevant person for the Ordinary Shares applied for in full and the allotment of such Ordinary Shares to such person becoming unconditional save to the extent required by statute. In such event, Qualifying Shareholders are advised to seek independent legal advice.

PART 10

TERMS AND CONDITIONS OF THE OPEN OFFER

1. INTRODUCTION

The Company may issue up to 119,172,138 Ordinary Shares at the Issue Price under the Open Offer.

The Open Offer is an opportunity for Qualifying Shareholders to apply for Ordinary Shares *pro rata* to their holdings as at the Record Date at the Issue Price on the basis of 1 Ordinary Share for every 5 Ordinary Shares held at the Record Date in accordance with the terms of the Open Offer.

The Record Date for entitlements, under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is 6.00 p.m. on 2 May 2017. Open Offer Application Forms for Qualifying Non-CREST Shareholders accompany this document.

Application will be made to the FCA and the London Stock Exchange for Admission. The latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer and settlement of relevant instructions (as appropriate) is 11.00 a.m. on 24 May 2017 with Admission and commencement of dealings in Ordinary Shares expected to take place at 8.00 a.m. on 31 May 2017.

This document and, for Qualifying Non-CREST Shareholders only, the Open Offer Application Forms contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraphs 4.1 and 4.2 of this Part 10 which gives details of the procedure for application and payment for the Ordinary Shares under the Open Offer.

The Excess Application Facility is an opportunity for Existing Shareholders who have applied for all of their Basic Entitlements to apply for additional Ordinary Shares. The Excess Application Facility will be comprised of Ordinary Shares that are not taken up by Existing Shareholders under the Open Offer pursuant to their Basic Entitlements and aggregate fractional entitlements under the Open Offer adjusted to include/remove any Ordinary Shares from the Excess Application Facility that the Directors determine, in their absolute discretion, should be reallocated to/from the Ordinary Share Placing and/or Offer for Subscription (as appropriate).

There is no limit on the amount of Ordinary Shares that can be applied for by Existing Shareholders under the Excess Application Facility, save that the maximum amount of Ordinary Shares to be allotted under the Excess Application Facility shall be the maximum size of the Open Offer less the number of Ordinary Shares issued under the Open Offer pursuant to Basic Entitlements. Allotments under the Excess Application Facility shall be allocated in such manner as the Directors may determine in their absolute discretion, following consultation with Stifel, and no assurance can be given that applications by Existing Shareholders will be met in part or at all. In the event of oversubscription under the Excess Application Facility, applications for additional Ordinary Shares will be allocated in such a manner as the Directors determine, in their absolute discretion.

If you sell or have sold or otherwise transferred your Ordinary Shares in certificated form before 3 May 2017 (being the ex-entitlement date for the Open Offer), please send this document, together with any Open Offer Application Form, if received, at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee except that this document and the Open Offer Application Form should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so may constitute a violation of local securities laws or regulations, including, but not limited to, the Excluded Territories. If you sell or have sold or otherwise transferred all or some of your Ordinary Shares held in uncertificated form before 3 May 2017 (being the ex-entitlement date for the Open Offer), a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Basic Entitlements and Excess CREST Open Offer Entitlements to the purchaser or transferee. If you sell or have sold or have otherwise transferred only part of your holding of Ordinary Shares held in certificated form before 2 May 2017 (being the entitlement date for the Open Offer), you should refer to the instruction regarding split applications in this Part 10.

2. THE OPEN OFFER

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Open Offer Application Form), under the Open Offer, an aggregate of 119,172,138 Ordinary Shares will be made available to Qualifying Shareholders at the Issue Price *pro rata* to their holdings of Ordinary Shares, on the terms and subject to the conditions of the Open Offer on the basis of:

1 Ordinary Share for every 5 Ordinary Shares

held and registered in their name at the Record Date.

The offer price per Ordinary Share is 105.5 pence.

Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

If you are a Qualifying Non-CREST Shareholder, the Open Offer Application Form shows the number of Ordinary Shares available to you under your Basic Entitlement (in Box 6). Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete Boxes 2, 2A, 3 and 4 on the Open Offer Application Form. Excess applications may be allocated in such manner as the Directors may determine, in their absolute discretion, following consultation with Stifel, and no assurance can be given that applications by Existing Shareholders will be met in full or in part or at all.

Qualifying CREST Shareholders will have Basic Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraph 4.2 of this Part 10 for information on the relevant CREST procedures. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures. The Basic Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts as soon as possible after 8.00 a.m. on 4 May 2017.

Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should note that their Open Offer Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, and enabled for settlement, neither the Basic Entitlements nor the Excess CREST Open Offer Entitlements will be tradeable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. Ordinary Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their entitlements will have no rights, and will not receive any benefit, under the Open Offer. Any Ordinary Shares which are not applied for in respect of the Open Offer may be allotted to Qualifying Shareholders to meet valid applications under the Excess Application Facility or may be issued to the subscribers under the Ordinary Share Placing and/or the Offer for Subscription, with the proceeds retained for the benefit of the Company.

The balance of the Ordinary Shares (being 32,486,630 Ordinary Shares), together with any Ordinary Shares not taken up by Qualifying Shareholders under the Open Offer (including under the Excess Application Facility), will be made available, at the discretion of the Directors, under the Ordinary Share Placing and/or Offer for Subscription.

Existing Shareholders may also subscribe for Ordinary Shares in excess of their Basic Entitlement through the Ordinary Share Placing and/or Offer for Subscription, as appropriate.

3. CONDITIONS AND FURTHER TERMS OF THE OPEN OFFER

The Open Offer is conditional upon, amongst other things, Admission becoming effective by not later than 8.30 a.m. on 31 May 2017 or such later time and/or date as the Company and/or Stifel may agree (being not later than 8.30 a.m. on 31 July 2017), the Issue Agreement becoming unconditional in all respects (other than

as to Admission) and the Minimum Net Proceeds being raised. A summary of the Issue Agreement is set out in paragraph 9.1 of Part 12 of this document.

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without interest, as soon as practicable thereafter.

No temporary documents of title will be issued. Definitive certificates in respect of Ordinary Shares are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Ordinary Shares in certificated form in the week commencing 2 June 2017. In respect of those Qualifying Shareholders who have validly elected to hold their Ordinary Shares in uncertificated form, the Ordinary Shares are expected to be credited to their stock accounts maintained in CREST on 31 May 2017.

Application will be made for Admission. Admission is expected to occur on 31 May 2017, when dealings in the Ordinary Shares are expected to begin.

All monies received by the Receiving Agent in respect of Ordinary Shares will be credited to a non-interest bearing account by the Receiving Agent.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will notify the UK Listing Authority and make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

4. PROCEDURE FOR APPLICATION AND PAYMENT IN RESPECT OF THE OPEN OFFER

The action to be taken by you in respect of the Open Offer depends on whether you hold your Ordinary Shares in certificated or uncertificated form.

Qualifying Non-CREST Shareholders will receive the Open Offer Application Form enclosed with this document. The Open Offer Application Form shows Qualifying Non-CREST Shareholders the number of Ordinary Shares available under their Basic Entitlement that can be allotted in certificated form. Qualifying CREST Shareholders will be allotted Ordinary Shares in CREST. Qualifying Shareholders who hold part of their Ordinary Shares in uncertificated form will be allotted Ordinary Shares in uncertificated form to the extent that their entitlement to Ordinary Shares arises as a result of holding Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Basic Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2.7 of this Part 10.

CREST sponsored members should refer to their CREST sponsor as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Basic Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply for Ordinary Shares in respect of their Basic Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not wish to apply for the Ordinary Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form, or send a USE message through CREST.

4.1 *Qualifying Non-CREST Shareholders*

4.1.1 *General*

Subject as provided in paragraph 6 of this Part 10 of this document in relation to certain Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Open Offer Application Form. The Open Offer Application Form shows the number of Ordinary Shares available to them under their Basic Entitlement in Box 6. Entitlements to Ordinary Shares are rounded down to the nearest whole number and fractional Basic Entitlements have therefore

also been rounded down. Box 6A shows how much they would need to pay if they wish to take up their Basic Entitlement in full. Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Open Offer Application Form by virtue of a *bona fide* market claim. Qualifying Non-CREST Shareholders may also apply for additional Ordinary Shares under the Excess Application Facility by completing Boxes 2, 2A, 3 and 4 on the Open Offer Application Form.

The instructions and other terms set out in the Open Offer Application Form form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

4.1.2 *Bona fide market claims*

Applications to acquire Ordinary Shares under the Open Offer may only be made on an Open Offer Application Form by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Ordinary Shares through the market prior to the date upon which the Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer (being 8.00 a.m. on 3 May 2017). Open Offer Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 22 May 2017. The Open Offer Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Ordinary Shares prior to the date upon which the Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Ordinary Shares under the Open Offer may be a benefit which may be claimed by the transferee. Qualifying Non-CREST Shareholders who have sold all of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 8 on the Open Offer Application Form and immediately forward this Open Offer Application Form together with any accompanying documents at once to the purchaser or transferee or stockbroker or bank or other agent through whom the sale was effected, for delivery to the purchaser or transferee (save that this Open Offer Application Form should not be submitted or forwarded in or into the United States or any of the Excluded Territories or any jurisdiction where it would or may be unlawful to do so, unless pursuant to an applicable exemption). If you have sold or transferred only some of the Ordinary Shares, you should complete Box 8 and return the Open Offer Application Form by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, accompanied by a letter stating the number of split Open Offer Application Forms required and the total number of Ordinary Shares to be included in each split Open Offer Application Form. The latest time and date for splitting is 3.00 p.m. on 22 May 2017. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 4.2.2 below.

4.1.3 *Excess Application Facility*

Existing Shareholders who have taken up their Basic Entitlement may apply to acquire additional Ordinary Shares using the Excess Application Facility, should they wish. Qualifying Non-CREST Shareholders wishing to apply for additional Ordinary Shares, may do so by completing Boxes 2, 2A, 3 and 4 of the Open Offer Application Form. The maximum number of Ordinary Shares to be issued under the Excess Application Facility shall be limited to: (a) the maximum size of the Issue; less (b) Ordinary Shares issued under the Open Offer pursuant to Existing Shareholders’ Basic Entitlements and any Ordinary Shares that the Directors determine to issue under the Ordinary Share Placing and/or Offer for Subscription. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion following consultation with Stifel, and no assurance can be given that the applications by Existing Shareholders will be met in full or in

part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

- 4.1.4 Qualifying Non-CREST Shareholders wishing to apply to acquire Ordinary Shares to which they are entitled under the Open Offer should complete the Open Offer Application Form in accordance with the instructions printed on it.

Completed Open Offer Application Forms should be posted in the accompanying prepaid envelope or returned by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to the Receiving Agent, CIS PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE (who will act as Receiving Agent in relation to the Open Offer) so as to be received by the Receiving Agent by no later than 11.00 a.m. on 24 May 2017, after which time Open Offer Application Forms will not be valid. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable (subject to paragraph 7 below) and receipt thereof will not be acknowledged. If an Open Offer Application Form is being sent by first-class post in the UK, Qualifying Non-CREST Shareholders are recommended to allow at least four working days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to "Computershare Investor Services PLC re: Sequoia Economic Infrastructure Income Fund Limited Open Offer A/C" and crossed "a/c payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or draft to confirm that the relevant Qualifying Shareholder has title to the underlying funds. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques or bankers drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or banker's drafts are presented for payment before the conditions of the Issue are fulfilled, the application monies will be credited to a non-interest bearing account by the Receiving Agent. If the Issue does not become unconditional, no Ordinary Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Issue.

The Company may in its sole discretion, but shall not be obliged to, treat an Open Offer Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the

terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (a) Open Offer Application Forms received after 11.00 a.m. on 24 May 2017; or
- (b) applications in respect of which remittances are received before 11.00 a.m. on 24 May 2017 from authorised persons (as defined in FSMA) specifying the Ordinary Shares applied for and undertaking to lodge the Open Offer Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

If Ordinary Shares have already been allotted to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, Stifel shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-CREST Shareholder's Ordinary Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. Neither Stifel nor the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholders.

4.1.5 *Effect of application*

By completing and delivering an Open Offer Application Form the applicant:

- (a) represents and warrants to the Company, the Receiving Agent and Stifel that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and/or the Excess Application Facility and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Ordinary Shares or acting on behalf of any such person on a non-discretionary basis;
- (b) agrees with the Company, the Receiving Agent and Stifel that all applications under the Open Offer and/or the Excess Application Facility and contracts resulting therefrom shall be governed by and construed in accordance with the laws of England;
- (c) confirms to the Company, the Receiving Agent and Stifel that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document (and any documents incorporated by reference), and the applicant accordingly agrees that no person responsible solely or jointly for this document (and any documents incorporated by reference) or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Company and the Ordinary Shares contained in this document (including matters incorporated by reference);
- (d) represents and warrants to the Company, the Receiving Agent and Stifel that he is the Qualifying Shareholder originally entitled to his Basic Entitlement or that he received such Basic Entitlement by virtue of a *bona fide* market claim;
- (e) represents and warrants to the Company, the Receiving Agent and Stifel that if he has received some or all of his Basic Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Basic Entitlement by virtue of a *bona fide* market claim;

- (f) requests that the Ordinary Shares, to which he will become entitled, be issued to him on the terms set out in this document and the Open Offer Application Form subject to the Articles;
- (g) represents and warrants to the Company, the Receiving Agent and Stifel that (i) he is not, nor is he applying for the account or benefit of, or acting on a non-discretionary basis on behalf of, any person who is (A) a U.S. Person or (B) within, or is a resident of, or is a corporation, partnership or other entity created or organised in or under any laws of, the United States or any other Excluded Territory; (ii) he is acquiring the Ordinary Shares for his own account and is not applying with a view to re offering, re selling, transferring or delivering any of the Ordinary Shares which are the subject of his application; (y) in the United States or to, or for the benefit of, a person who is a U.S. Person or (z) within any other Excluded Territory, or to, or for the benefit of, a person who is a resident of, or which is a corporation, partnership or other entity created or organised in or under any laws of, any Excluded Territory (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome); and (iii) he is not otherwise prevented by legal or regulatory restrictions from applying for Ordinary Shares under the Open Offer or the Excess Application Facility;
- (h) represents and warrants to the Company and Stifel that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 (depository receipts) or Section 96 (despository receipts and clearance services) of the Finance Act 1986;
- (i) confirms that in making the application he is not relying and has not relied on Stifel or any person affiliated with Stifel in connection with any investigation of the accuracy of any information contained in this document (or any document incorporated by reference) or his investment decision; and
- (j) confirms that no person has been authorised to give any information or to make any representation concerning the Company or the Ordinary Shares (other than as contained in this document and the documents incorporated by reference) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or Stifel.

4.1.6 *Incorrect or incomplete applications*

If an Open Offer Application Form includes a payment for an incorrect sum, the Company reserves the right:

- (a) to reject the application in full and refund the payment to the applicant (without interest);
- (b) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Ordinary Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the applicant (without interest); and
- (c) in the case that an excess sum is paid, to treat the application as a valid application for all the Ordinary Shares referred to in the Open Offer Application Form, refunding any unutilised sum to the applicant (without interest).

All enquiries in connection with the procedure for application and completion of the Open Offer Application Form should be addressed to the Receiving Agent, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE or you can contact the Receiving Agent on 0370 707 4040 from within the UK or on + 44 370 707 4040 if calling from outside the UK. Lines are open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. Please note the Receiving Agent cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Basic Entitlements or apply for additional Ordinary Shares under the Excess Application Facility or give any financial, legal or tax advice.

Qualifying Non-CREST Shareholders who do not wish to take up or apply for the Ordinary Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form.

A Qualifying Non-CREST Shareholder who is also a CREST member may elect to receive the Ordinary Shares to which he is entitled in uncertificated form in CREST (please see paragraph 4.2.1 of this Part 10 below for more information).

4.2 ***Qualifying CREST Shareholders***

4.2.1 *General*

Subject as provided in paragraph 6 of this Part 10 in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Basic Entitlement equal to the maximum number of Ordinary Shares for which he is entitled to apply to acquire under the Open Offer. Entitlements to Ordinary Shares will be rounded down to the nearest whole number and any Basic Entitlements have therefore also been rounded down. Any fractional entitlements to Ordinary Shares will be disregarded in calculating Basic Entitlements.

The CREST stock account to be credited will be an account under the participant ID and member account ID specified in the section headed “Expected Timetable” and below.

If for any reason the Basic Entitlement and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by 8.00 a.m. on 4 May 2017, or such later time and/or date as the Company may decide, an Open Offer Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Basic Entitlements and Excess CREST Open Offer Entitlement which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Open Offer Application Forms will apply to Qualifying CREST Shareholders who receive such Open Offer Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to Ordinary Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the Receiving Agent on telephone number 0370 707 4040 from within the UK or on + 44 370 707 4040 if calling from outside the UK. Lines are open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. Please note the Receiving Agent cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Basic Entitlements nor give any financial, legal or tax advice. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Ordinary Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

4.2.2 *Market claims*

The Basic Entitlements and the Excess CREST Open Offer Entitlements will constitute separate securities for the purposes of CREST. Although Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Entitlements and/or the Excess CREST Open Offer Entitlements may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Basic Entitlements and the Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Basic Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

A Qualifying CREST Shareholder that, as a result of a *bona fide* market claim has received a shortfall of Excess CREST Open Offer Entitlements to their CREST account and would like to apply for a larger number of Ordinary Shares under the Excess Application Facility or to arrange for a further credit of Excess CREST Open Offer Entitlements to be made should contact the Receiving Agent on 0370 707 4040 from within the UK or on + 44 370 707 4040 if calling from outside the UK. Lines are open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes.

4.2.3 *Excess Application Facility*

Existing Shareholders may apply to acquire additional Ordinary Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Qualifying CREST Shareholders to apply for additional Ordinary Shares in excess of their Basic Entitlement. An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred.

Subject as provided in paragraph 6 below in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for additional Ordinary Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Basic Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Existing Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for additional Ordinary Shares pursuant to the Excess Application Facility, Qualifying CREST Shareholders should follow the instructions in paragraph 4.2.6 below and must not return a paper form and cheque.

Should a transaction be identified by the Euroclear UK & Ireland’s Claims Processing Unit as “cum” the Basic Entitlement and the relevant Basic Entitlement be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Basic Entitlement claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Existing Shareholder will be transferred to the purchaser. Please note that a separate USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Existing Shareholders will be met in full or in part or at all. Excess monies in

respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

4.2.4 *Unmatched Stock Event ("USE") instructions*

Qualifying CREST Shareholders who are CREST members and who want to apply for Ordinary Shares in respect of all or some of their Basic Entitlements and/or Excess CREST Open Offer Entitlements must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an USE instruction to Euroclear which, on its settlement, will have the following effect:

- (a) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Basic Entitlements and Excess CREST Open Offer Entitlements corresponding to the number of Ordinary Shares applied for; and
- (b) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Ordinary Shares referred to in (a) above.

4.2.5 *Content of USE instruction in respect of Basic Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (a) the number of Ordinary Shares for which application is being made (and hence the number of the Basic Entitlement(s) being delivered to the Receiving Agent);
- (b) the CREST participant ID of the accepting CREST member;
- (c) the CREST member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;
- (d) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 3RA41;
- (e) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is SEQUOIA;
- (f) the ISIN of the Basic Entitlements. This is GG00BDHYT202;
- (g) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Ordinary Shares referred to in (a) above;
- (h) the intended settlement date. This must be on or before 11.00 a.m. on 24 May 2017; and
- (i) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 24 May 2017.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 90.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 24 May 2017 in order to be valid is 11.00 a.m. on that day.

In the event that the Issue does not become unconditional by 8.30 a.m. on 31 May 2017 or such later time and date as the Company and Stifel determine (being no later than 8.30 a.m. on 31 July 2017), the Issue will lapse, the Basic Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

4.2.6 *Content of USE instruction in respect of Excess CREST Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (a) the number of Ordinary Shares for which application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (b) the CREST participant ID of the accepting CREST member;
- (c) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (d) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 3RA41;
- (e) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is SEQUOIA;
- (f) the ISIN of the Excess CREST Open Offer Entitlements. This is GG00BDHYT319;
- (g) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Ordinary Shares referred to in (a) above;
- (h) the intended settlement date. This must be on or before 11.00 a.m. on 24 May 2017; and
- (i) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Excess CREST Open Offer Entitlement under the Excess Application Facility to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 24 May 2017

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 90.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 24 May 2017 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that the Issue does not become unconditional by 8.30 a.m. on 31 May 2017 or such later time and date as the Company and Stifel determine (being no later than 8.30 a.m. on 31 July 2017), the Issue will lapse, the Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

4.2.7 *Deposit of Basic Entitlements into, and withdrawal from, CREST*

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Basic Entitlements set out in his Open Offer Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Open Offer Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Basic Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Open Offer Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Open Offer Application Form.

A holder of an Open Offer Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Basic Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 24 May 2017. After depositing their Basic Entitlements into their CREST account, CREST holders will, shortly after that, receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Receiving Agent.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, (i) the recommended latest time for depositing an Open Offer Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Open Offer Application Form as Basic Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 19 May 2017; and (ii) the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Basic Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 17 May 2017– in either case so as to enable the person acquiring or (as appropriate) holding the Basic Entitlements and Excess CREST Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Open Offer Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Basic Entitlements, as the case may be, prior to 11.00 a.m. on 24 May 2017. CREST holders inputting the withdrawal of their Basic Entitlements from their CREST account must ensure that they withdraw both their Basic Entitlements and the Excess CREST Open Offer Entitlement.

Delivery of an Open Offer Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Open Offer Application Form or into the name of another person, shall constitute a representation and warranty to the Company, Stifel and the Receiving Agent by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed “Instructions for depositing entitlements under the Open Offer into CREST” on page 2 of the Open Offer Application Form, and a declaration to the Company, Stifel and the Receiving Agent from the relevant CREST member(s) that it/they is/are not in, or citizen(s) or resident(s) of, the United States or any other Excluded Territory and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer or the Excess Application Facility by virtue of a *bona fide* market claim.

4.2.8 *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 24 May 2017 will constitute a valid application under the Open Offer.

4.2.9 *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer and the Excess Application Facility. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above and settled by 11.00 a.m. on 24 May 2017. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

4.2.10 *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through the Registrar, reserves the right:

- (a) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (b) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Ordinary Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (c) in the case that an excess sum is paid, to treat the application as a valid application for all the Ordinary Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question (without interest).

4.2.11 *Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (a) represents and warrants to the Company, the Receiving Agent and Stifel that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer or the Excess Application Facility, as the case may be, and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory

restrictions from applying for Ordinary Shares or acting on behalf of any such person on a non-discretionary basis;

- (b) agrees with the Company and Stifel to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (c) with the Company and Stifel that all applications and contracts resulting therefrom under the Open Offer and the Excess Application Facility shall be governed by, and construed in accordance with, the laws of England;
- (d) confirms to the Company and Stifel that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document (and any document incorporated by reference), and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document (and any document incorporated by reference), he will be deemed to have had notice of all the information in relation to the Company and the Ordinary Shares contained in this document (including matters incorporated by reference);
- (e) represents and warrants to the Company and Stifel that he is the Qualifying Shareholder originally entitled to the Basic Entitlement and Excess CREST Open Offer Entitlement or that he has received such Basic Entitlement and Excess CREST Open Offer Entitlement by virtue of a *bona fide* market claim;
- (f) represents and warrants to the Company, the Receiving Agent and Stifel that if he has received some or all his Basic Entitlement and Excess CREST Open Offer Entitlement from a person other than the Company, he is entitled to apply under the Open Offer and the Excess Application Facility in relation to such Basic Entitlement and Excess CREST Open Offer Entitlement by virtue of a *bona fide* market claim;
- (g) requests that the Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the Articles;
- (h) represents and warrants to the Company, the Receiving Agent and Stifel that (i) he is not, nor is he applying for the account or benefit of, or acting on a non-discretionary basis on behalf of, any person who is (A) a U.S. Person or (B) within, or is a resident of, or is a corporation, partnership or other entity created or organised in or under the laws of, the United States or any other Excluded Territory; (ii) he is acquiring the Ordinary Shares for his own account and is not applying with a view to re offering, re selling, transferring or delivering any of the Ordinary Shares which are the subject of his application (y) in the United States or to, or for the benefit of, a person who is a U.S. Person or (z) within any other Excluded Territory, or to, or for the benefit of, a person who is a resident of, or which is a corporation, partnership or other entity created or organised in or under any laws of, any Excluded Territory (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome); and (iii) he is not otherwise prevented by legal or regulatory restrictions from applying for Ordinary Shares under the Open Offer or the Excess Application Facility;
- (i) represents and warrants to the Company, the Receiving Agent and Stifel that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify

and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986; and

- (j) confirms that in making the application he is not relying and has not relied on Stifel or any person affiliated with Stifel in connection with any investigation of the accuracy of any information contained in this document (and any document incorporated by reference) or his investment decision.

4.2.12 *Company's discretion as to the rejection and validity of applications*

The Company may in its sole discretion:

- (a) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 10;
- (b) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (c) treat a properly authenticated dematerialised instruction (in this sub-paragraph the “**first instruction**”) as not constituting a valid application if, at the time at which the Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (d) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Ordinary Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

4.2.13 *Lapse of the Open Offer*

In the event that the Issue does not become unconditional by 8.30 a.m. on 31 May 2017 or such later time and date as the Company and Stifel may agree (being no later than 8.30 a.m. on 31 July 2017), the Issue will lapse, the Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

5. MONEY LAUNDERING REGULATIONS

5.1 *Holders of Application Forms*

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Open Offer Application Form is lodged with payment (which requirements are referred to below as the “**verification of identity requirements**”). If the Open Offer Application Form is submitted by a UK

regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Open Offer Application Form.

The person lodging the Open Offer Application Form with payment and in accordance with the other terms as described above (the "acceptor"), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Ordinary Shares as is referred to therein (for the purposes of this paragraph 5 the "relevant Ordinary Shares") and shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant Ordinary Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company nor Stifel will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer or under the Excess Application Facility will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

Submission of an Open Offer Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Receiving Agent and Stifel from the applicant that the UK Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (a) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC));
- (b) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (c) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name;
- (d) if the aggregate subscription price for the Ordinary Shares is less than €15,000 (or the Sterling equivalent);
- (e) if payment is made by cheque or banker's draft in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques should be made payable to "CIS PLC re: Sequoia Economic Infrastructure Income Fund Limited Open Offer A/C" and crossed "a/c payee only". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect. The account name should be the same as that shown on the Open Offer Application Form; or

- (f) if the Open Offer Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (a) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-EU members of which are Argentina, Australia, Brazil, Canada, China, Hong Kong, Iceland, India, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, the Republic of Korea, the Republic of South Africa, Switzerland, Turkey, UK Crown Dependencies and the USA and, by virtue of their membership of the Gulf Cooperation Council, the Kingdom of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Open Offer Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent. If the agent is not such an organisation, it should contact the Receiving Agent at the address set out on page 61 of this document.

To confirm the acceptability of any written assurance referred to in (f) above, or in any other case, the acceptor should contact the Receiving Agent. The telephone number of Computershare Investor Services Plc is 0370 707 4040 from within the UK or on + 44 370 707 4040 if calling from outside the UK. Lines are open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

If the Open Offer Application Form is in respect of Ordinary Shares under the Open Offer with an aggregate subscription price of €15,000 (or the Sterling equivalent) or more and is lodged by hand by the acceptor in person, or if the Open Offer Application Form in respect of Ordinary Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 24 May 2017, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent under instructions from the Company may, at its discretion, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

5.2 Basic Entitlements and Excess CREST Open Offer Entitlements in CREST

If you hold your Basic Entitlement and Excess CREST Open Offer Entitlements in CREST and apply for Ordinary Shares in respect of some or all of your Basic Entitlement and Excess CREST Open Offer Entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to the Company, the Receiving Agent and Stifel to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the UK Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Ordinary Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Ordinary Shares represented by the

USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

6. OVERSEAS SHAREHOLDERS

This document has been approved by the FCA, being the competent authority in the United Kingdom. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 *General*

The distribution of this document and the making of the Open Offer to persons who have registered addresses in, or who are resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirements or other formalities to enable them to apply for Ordinary Shares under the Open Offer.

No action has been or will be taken by the Company or Stifel or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Ordinary Shares under the Open Offer or Ordinary Shares to be issued under the Open Offer) in any jurisdiction where action for that purpose may be required.

No public offer of offer of Ordinary Shares is being made by virtue of this document or the Open Offer Application Form into the United States or any other Excluded Territory.

Receipt of this document and/or an Open Offer Application Form and/or a credit of Basic Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed.

Open Offer Application Forms will not be sent to, and Basic Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or any other Excluded Territory or their agent or intermediary, except where the Company and Stifel are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Open Offer Application Form and/or a credit of Basic Entitlements and Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Open Offer Application Form and/or credit of Basic Entitlements and Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Open Offer Application Form and/or credit of Basic Entitlements and Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agent, nominees and trustees) outside the United Kingdom wishing to apply for Ordinary Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection

therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, Stifel or any of their respective representatives is making any representation to any offeree or purchaser of the Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Open Offer Application Form and/or a credit of Basic Entitlements and Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Basic Entitlements and Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Open Offer Application Form and/or a credit of Basic Entitlements and Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Ordinary Shares in respect of the Open Offer unless the Company and Stifel determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Open Offer Application Form and/or transfers Basic Entitlements and/or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part 10 and specifically the contents of this paragraph 6.1.

The Company reserves the right to treat as invalid any application or purported application for Ordinary Shares that appears to the Company or its agents to have been executed, effected, or dispatched from the United States or another Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates relating to Ordinary Shares (or in the case of a credit of Basic Entitlements and Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be), in the United States or another Excluded Territory.

Notwithstanding any other provision of this document or the Open Offer Application Form, the Company reserves the right to permit any person to apply for Ordinary Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Ordinary Shares should note that payment must be made in sterling denominated cheques or banker's drafts or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

6.2 *United States*

The Ordinary Shares have not been and will not be registered under the U.S. Securities Act or under any laws of, or with any securities regulatory authority of, any state or other jurisdiction of the United States and, accordingly, may not be offered, sold, re sold, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. Accordingly, the Company is not extending the Open Offer into the United States or to any U.S. Persons, and neither this document nor the Open Offer Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Ordinary Shares in the United States or to any U.S. Person. Neither this document nor an Open Offer Application Form, will be sent to, and no Ordinary Shares will be credited to, a stock account in CREST of, any Shareholder with a registered address in the United States. Open Offer Application

Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring Ordinary Shares and wishing to hold such Ordinary Shares in registered form must provide an address for registration of the Ordinary Shares issued upon exercise thereof outside the United States.

Any person who acquires Ordinary Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Open Offer Application Form and delivery of the Ordinary Shares, that they are not, and that at the time of acquiring the Ordinary Shares they will not be (i) a U.S. Person; (ii) in the United States; or (iii) acting on behalf of, or for the account or benefit of, a U.S. Person.

The Company reserves the right to treat as invalid any Open Offer Application Form that (i) appears to the Company or its agents to have been executed or effected (A) by, or for the account or benefit of, a U.S. Person, or (B) in, or dispatched from, the United States; (ii) provides an address in the United States for the receipt of Ordinary Shares; or (iii) does not make the warranty set out in the Open Offer Application Form to the effect that the person completing the Open Offer Application Form is not a U.S. Person, does not have a registered address and is not otherwise located in the United States and is not acquiring the Ordinary Shares with a view to the offer, sale, resale, transfer or delivery, directly or indirectly, of any such Ordinary Shares in the United States or to, or for the account or benefit of, a U.S. Person, or where the Company believes acceptance of such Open Offer Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any Ordinary Shares to any person who is a U.S. Person, or to any person with an address in, or who is otherwise located in, the United States in whose favour an Open Offer Application Form or any Ordinary Shares may be transferred. In addition, the Company and Stifel reserve the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in, or who is otherwise located in, the United States in respect of the Ordinary Shares.

6.3 *Excluded Territories*

The Ordinary Shares have not been and will not be registered under the relevant laws of any Excluded Territories or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Excluded Territories or to, or for the account or benefit of, any person with a registered address in, or who is resident in, or a citizen of, any Excluded Territories except pursuant to an applicable exemption. No offer of Ordinary Shares is being made by virtue of this document or the Open Offer Application Form into any Excluded Territories.

6.4 *Other overseas territories*

Open Offer Application Forms will be sent to Qualifying Non-CREST Shareholders and Basic Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United Kingdom may, subject to the laws of their relevant jurisdiction, take up Ordinary Shares under the Open Offer in accordance with the instructions set out in this document and the Open Offer Application Form.

Shareholders who have registered addresses in, or who are resident in, or citizens of countries other than the United Kingdom should consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for any Ordinary Shares in respect of the Open Offer.

6.5 *Representations and warranties relating to Overseas Shareholders*

6.5.1 *Qualifying Non-CREST Shareholders*

Any person completing and returning an Open Offer Application Form or requesting registration of the Ordinary Shares comprised therein represents and warrants to the Company, Stifel and the Registrar that, except where proof has been provided to the Company's satisfaction that such person's use of the Open Offer Application Form will not result in the

contravention of any applicable legal requirements in any jurisdiction: (i) such person is not a U.S. Person; (ii) such person is not in the United States or any other Excluded Territory; (iii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Ordinary Shares in respect of the Open Offer or to use the Open Offer Application Form in any manner in which such person has used or will use it; (iv) such person is not acting on a non discretionary basis for a person located within any Excluded Territory (except as agreed with the Company) or any territory referred to in (iii) above at the time the instruction to accept was given; and (v) such person is not acquiring Ordinary Shares with a view to the offer, sale, resale, transfer or delivery, directly or indirectly, of any such Ordinary Shares into any of the above territories.

The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Ordinary Shares comprised in an Open Offer Application Form if it: (i) appears to the Company or its agents to have been executed or effected (A) by, or for the account or benefit of, a U.S. Person, (B) in, or dispatched from, the United States or another Excluded Territory, or (C) in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or another Excluded Territory for delivery of the share certificates of Ordinary Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this subparagraph 6.5.1.

6.5.2 *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part 10 represents and warrants to the Company, Stifel and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not in the United States or another Excluded Territory and is not a U.S. Person; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Ordinary Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within another Excluded Territory (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring any Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Ordinary Shares into any of the above territories.

6.6 *Waiver*

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Qualifying Shareholders or on a general basis by the Company and/or Stifel in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Qualifying Shareholders shall include references to the person or persons executing an Open Offer Application Form and, in the event of more than one person executing an Open Offer Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. WITHDRAWAL RIGHTS

Qualifying Shareholders wishing to exercise or direct the exercise of statutory withdrawal rights pursuant to Section 87Q(4) of FSMA after the issue by the Company of a prospectus supplementary to this document must do so by lodging a written notice of withdrawal within two Business Days commencing on the Business Day after the date on which the supplementary prospectus is published. The withdrawal notice must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such person is a CREST member, the participant ID and the member account ID of such CREST member. The notice of withdrawal must be deposited by post with the Receiving Agent, Computershare Investor Services PLC,

Corporate Action Projects, Bristol BS99 6AH or by hand only (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, so as to be received before the end of the withdrawal period. Please call Computershare Investor Services PLC on 0370 707 4040 from within the UK or on + 44 370 707 4040 if calling from outside the UK. Lines are open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice. Notice of withdrawal given by any other means or which is deposited with the Registrar after expiry of such period will not constitute a valid withdrawal, provided that the Company will not permit the exercise of withdrawal rights after payment by the relevant person for the Ordinary Shares applied for in full and the allotment of such Ordinary Shares to such person becoming unconditional save to the extent required by statute. In such event, Qualifying Shareholders are advised to seek independent legal advice.

8. ADMISSION, SETTLEMENT AND DEALINGS

The result of the Open Offer and the Issue generally are expected to be announced on 26 May 2017. Application will be made to the UK Listing Authority for Admission. It is expected that Admission will become effective and that dealings in the Ordinary Shares, fully paid, will commence at 8.00 a.m. on 31 May 2017.

The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Basic Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 24 May 2017 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid application for Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. Computershare Investor Services PLC will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Ordinary Shares with effect from Admission (expected to be at 8.00 a.m. on 31 May 2017). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Open Offer Application Form instead of crediting the relevant stock account with Basic Entitlements, and to allot and/or issue any Ordinary Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

For Qualifying Non-CREST Shareholders who have applied by using an Open Offer Application Form, share certificates in respect of the Ordinary Shares are expected to be dispatched in the week commencing 2 June 2017. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the UK share register of the Company. All documents or remittances sent by or to applicants or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 4.1 above and their respective Open Offer Application Form.

9. TIMES AND DATES

The Company shall, in agreement with Stifel and after consultation with its financial and legal advisers, be entitled to amend the dates that Open Offer Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange and make an announcement on a Regulatory Information Service approved by the UK Listing Authority and, if appropriate, by Shareholders but Shareholders may not receive any further written communication.

If a supplementary prospectus is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance any payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

10. TAXATION

Certain statements regarding United Kingdom taxation in respect of the Ordinary Shares and the Open Offer are set out in Part 11 of this document. Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

11. FURTHER INFORMATION

Your attention is drawn to the further information set out in this document and also, in the case of Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Open Offer Application Forms, to the terms, conditions and other information printed on the accompanying Open Offer Application Form.

12. GOVERNING LAW AND JURISDICTION

The terms and conditions of the Open Offer as set out in this document, the Open Offer Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Open Offer Application Form. By taking up Ordinary Shares by way of their Basic Entitlement, in accordance with the instructions set out in this document and, where applicable, the Open Offer Application Form, Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART 11

TAXATION

1. General

The statements on taxation below are intended to be a general summary of certain tax consequences that may arise in relation to the Company and Shareholders. This is not a comprehensive summary of all technical aspects of the structure and is not intended to constitute legal or tax advice to investors. Potential investors should familiarise themselves with, and where appropriate should consult their own professional advisers on, the overall tax consequences of investing in the Company. The statements relate to investors acquiring and holding Shares for investment purposes only, and not for the purposes of any trade. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The tax consequences for each investor of investing in the Company may depend upon the investor's own tax position and upon the relevant laws of any jurisdiction to which the investor is subject.

2. Guernsey Taxation

The following summary of the anticipated treatment of the Company and holders of its Shares is based on Guernsey taxation law and practice as it is understood to apply at the date of this document. It does not constitute legal or tax advice and does not address all aspects of Guernsey tax law and practice (including such tax law and practice as it applies to any land or building situated in Guernsey). Potential investors in the Shares should consult their professional advisers on the implications of acquiring, buying, selling or otherwise disposing of Shares in the Company under the laws of any jurisdiction in which they may be liable to taxation.

2.1 *Taxation of the Company*

The Company is eligible for exemption from income tax in Guernsey under the provisions of the Ordinance. Under the provisions of the Ordinance, exemption is granted annually provided the Company continues to comply with the requirements of the Ordinance and upon the payment of an annual fee which is currently fixed at £1,200. Application will be made annually for exemption and it is the intention of the Directors to conduct the affairs of the Company so as to ensure that it retains such exempt status.

2.2 *Holdings of Shares*

Payments made by the Company to non-Guernsey resident Shareholders, whether made during the life of the Company or by distribution on the liquidation of the Company, will not be subject to Guernsey income tax and will therefore be paid gross. Whilst exempt, the Company is not required to deduct Guernsey income tax from distributions paid on any Share to Guernsey residents, however the Company is required to make a return when renewing the Company's exempt tax status of the names, addresses and gross amounts of distributions paid to Guernsey resident Shareholders during the previous year.

2.3 *Goods and Services Tax*

Guernsey does not currently levy taxes upon goods and services.

2.4 *Capital Gains and Stamp Duty*

At present Guernsey does not levy taxes upon capital inheritances, capital gains gifts, capital transfer, wealth, sales or turnover (unless the varying of investments and 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 an *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, switching or redemption of Shares.

2.5 *Foreign Account Tax Compliance Act and similar regimes*

The Company and/or interests in the Company are subject to the application of the Foreign Account Tax Compliance Act (“**FATCA**”) provisions of the U.S. Hiring Incentives to Restore Employment Act as well as other legislation implementing regimes similar to FATCA. FATCA is a U.S. law aimed at preventing tax evasion by U.S. citizens and residents through use of offshore accounts. FATCA generally imposes a 30 per cent. withholding tax with respect to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends paid to foreign financial institutions (“**FFIs**”) and other financial intermediaries that fail to undertake certain diligence and reporting obligations. As a general matter, the rules are designed to require certain U.S. persons’ direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the IRS. Generally, if the payee is an FFI, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertakes to identify accounts held by U.S. persons, annually report certain information about such accounts, and withhold 30 per cent. on certain payments to non-compliant account holders (“**FFI Agreement**”). If the country in which a payee is resident has entered into an “intergovernmental agreement” with the United States governing FATCA (“**IGA**”), that agreement may permit or require the payee to report to that country rather than to the IRS.

On 13 December 2013 an intergovernmental agreement was entered into between Guernsey and the US in respect of FATCA (the “**U.S.-Guernsey IGA**”), which agreement was enacted into Guernsey law as of 30 June 2014 by the Income Tax (Approved International Agreements) (Implementation) (United Kingdom and United States of America) Regulations, 2014. Guidance notes currently in draft form have been issued by the relevant Guernsey authority to provide practical assistance on the reporting obligations of affected businesses under the U.S.-Guernsey IGA.

The Organisation for Economic Co-operation and Development (the “**OECD**”) has been actively engaged in working towards exchange of information on a global scale and has published a global Common Reporting Standard (“**CRS**”) for multilateral exchange of information pursuant to which many governments have now signed multilateral agreements. A group of those governments, including Guernsey, has committed to a common implementation timetable which will see the first exchange of information in 2017 in respect of accounts open at the end of 2015 and new accounts from 2016, with further countries committed to implement the new global standard by 2018.

The Common Reporting Standard has been implemented in Guernsey by the Income Tax (Approved International Agreements) Implementation) (Common Reporting Standard) Regulations, 2015 which came into force on 1 December 2015. The Company may need to comply with the aforementioned exchange of information requirements as they progress and develop. Shareholders must satisfy any requests for information pursuant to such requirements.

FATCA AND SIMILAR REPORTING REGIMES ARE PARTICULARLY COMPLEX. EACH POTENTIAL INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND SIMILAR REPORTING REGIMES AND HOW THIS LEGISLATION MIGHT AFFECT EACH POTENTIAL INVESTOR IN ITS PARTICULAR CIRCUMSTANCE.

2.6 *Request for Information*

The Company complies with its obligations relating to FATCA and reserves the right to request from any investor or potential investor at any time such information as it deems necessary to comply with FATCA, any FFI Agreement from time to time in force, and other reporting regimes such as the CRS or any obligation arising under the implementation of any applicable intergovernmental agreement, including the U.S.-Guernsey IGA and similar relating to the CRS or similar regimes and any related legislation and/or regulations. If a Shareholder fails to provide the Company with information that is required by any of them to allow them to comply with any of the above reporting requirements, or any similar requirements, adverse consequences may apply.

Investors should consult with their respective tax advisers regarding the possible implications of FATCA, the U.S.-Guernsey IGA and similar relating to the CRS any related legislation and/or regulations on their investment in the Company.

3. United Kingdom

The statements below relate to the UK tax implications of a UK resident and domiciled individual investing in the Company (unless expressly stated otherwise). The tax consequences may differ for investors who are not resident in the UK or who are not domiciled in the UK for tax purposes. The statements are based on current tax legislation and HMRC practice, both of which are subject to change at any time, possibly with retrospective effect.

3.1 *UK taxation of the Company*

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 to seek to ensure that it does not become resident in the UK for income tax, corporation tax and capital gains tax purposes. Accordingly, and provided the Company does not carry on a trade in the UK (whether or not through a permanent establishment situated therein) and is not resident in the UK for income tax, corporation tax or capital gains purposes, the Company should not be subject to UK income tax or corporation tax other than on UK source income.

3.2 *UK taxation of individuals*

This paragraph provides general guidance for individual investors who are UK resident and ordinarily resident for UK tax purposes and who hold Shares as investments and not as trading stock.

Individual investors who are resident and domiciled in the UK will be liable to UK tax at their applicable marginal rates on dividends paid by the Company, and on any gain arising from a disposal or part disposal of the Shares in the Company. The Finance Act 2016 introduced changes to the taxation of dividends received by UK individuals with effect from 6 April 2016. The 10 per cent. dividend tax credit which used to be available to individual shareholders with minority interest has been abolished and instead the first £5,000 of dividend income received in each tax year is tax free. Dividends received in excess of £5,000 are taxed at 7.5 per cent. for basic rate tax payers, at 32.5 per cent. for higher rate tax payers and at 38.1 per cent. for additional rate tax payers. The Finance (No. 2) Bill 2017 (the “**Bill**”) contained provisions that the amount to be charged at the nil dividend rate be reduced from £5,000 to £2,000 with effect from 6 April 2018. However, this provision was one of those dropped from the Bill in order for the Bill to be fast-tracked to receive Royal Assent prior to parliament's dissolution ahead of the general election on 8 June 2017. It is likely that this provision will be reintroduced in a later finance bill after the election.

The Directors consider that the Company should not constitute an “offshore fund” for the purposes of Part 8 TIOPA, as the Company is closed-ended with an unlimited life. The Directors will use reasonable endeavours (but without liability) to monitor the Company’s status in this regard. If the Company were to be treated as an offshore fund, disposals of Shares would give rise to an offshore income gain taxable as income (rather than capital) unless the Company were to apply to be a “reporting fund” in accordance with the Offshore Funds (Tax) Regulations 2009, as amended.

The attention of investors is drawn to anti-avoidance legislation in Chapter 1, Part 13 of the Income Tax Act 2007 that could apply if Ordinary Shareholders are seeking to obtain tax advantages in prescribed conditions.

Investors who are resident in the UK should be aware of the provisions of Chapter 2, Part 13 of the Income Tax Act 2007, which may in certain circumstances, and subject to certain exceptions, render them liable to UK income tax in respect of undistributed income and profits of the Company.

Individual investors who are resident in the UK should be aware that, subject to certain exceptions, if they hold or are treated as holding alone or together with “persons connected with them” (as defined in the relevant legislation) more than a 25 per cent. interest in the Company and the Company would be treated as a “close” company if it were resident in the UK, gains which are capital gains for the purposes of UK tax accruing to the Company may be attributed to them if such gains are not distributed, pursuant to section 13 of TCGA.

3.3 *UK taxation of UK companies*

Investors who hold Shares (as applicable) that are companies resident in the UK for UK taxation purposes may be able to rely on legislation in Chapter 3, Part 9A of the Corporation Tax Act 2009 which exempts certain dividends from the charge to UK corporation tax where certain conditions are met. Such UK companies will, however, be subject to UK corporation tax on chargeable gains in respect of any gains arising on a disposal of Shares.

UK resident companies should note that where they (or they together with their connected persons) have a sufficient interest in the Company (generally 25 per cent. or more), then the controlled foreign company rules in Part 9A TIOPA could apply. Under these rules, a UK resident company with a sufficient interest in the Company may be liable to UK corporation tax in respect of its share of the relevant company’s undistributed profits. These provisions will apply only if the Company is controlled by UK tax residents. The controlled foreign company rules contain a number of exemptions and safe harbours. However, the Directors cannot guarantee that any of these will apply. Accordingly, any UK resident company directly or indirectly acquiring a sufficient interest (as described above) in the Company may be affected by the rules.

The provisions of Part 8 of TIOPA and section 13 of TCGA as set out above apply equally to investors that are subject to UK corporation tax as they do to UK resident individuals. As stated above, the Directors do not consider the Company to constitute an “offshore fund”.

3.4 *Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)*

The following comments are intended as a guide to the current general stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply.

No UK stamp duty or SDRT will be payable on the issue of the Shares.

UK stamp duty (at the rate of 0.5 per cent. of the amount of the value of the consideration for the transfer rounded up where necessary to the nearest £5) is payable on any instrument of transfer of Shares executed within, or in certain cases brought into, the UK. As the Company’s Registrar is based in Guernsey, the Shares will not be registered in any register of the Company kept in the UK, and therefore, any agreement to transfer Shares should not be subject to UK stamp duty or SDRT.

3.5 *ISAs and SSAS/SIPPs*

ISAs and SSAS/SIPPs Investors resident in the United Kingdom who are considering acquiring Shares are recommended to consult their own tax and/or investment advisers in relation to the eligibility of the Shares for ISAs and SSAS/SIPPs. Shares acquired by an ISA account managed on behalf of an Investor pursuant to the Open Offer or the Offer for Subscription should be eligible for inclusion in a stocks and share ISA, subject to applicable subscription limits, whereas Shares acquired pursuant to the Placing Programme or Ordinary Share Placing will not be eligible for inclusion. The Shares should be eligible for inclusion in a SSAS or SIPP, subject to the discretion of the trustees of the SSAS or SIPP, as the case may be.

PART 12

ADDITIONAL INFORMATION ON THE COMPANY

1. Incorporation and Status of the Company

- 1.1 The Company is a non-cellular company which was incorporated in Guernsey on 30 December 2014 under the provisions of Guernsey Companies Law with registered number 59596 with the name Sequoia Economic Infrastructure Income Fund Limited.
- 1.2 The principal legislation under which the Company operates, and under which the Ordinary Shares have been created, is the Guernsey Companies Law.
- 1.3 The Company's legal and commercial name is Sequoia Economic Infrastructure Income Fund Limited.
- 1.4 The registered and head office and the principal place of business of the Company is at Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR. The Company is domiciled in Guernsey. The telephone number of the Company's registered office is +44 (0) 1481 737 600.
- 1.5 The Company's accounting period ends on 31 March of each year, with the next such financial period commencing on 1 April 2016 and ending on 31 March 2017. Audited historical financial information on the Company for the period from 30 December 2014 to 31 March 2016 and unaudited historical financial information on the Company for the period from incorporation to 20 September 2016 is incorporated by reference into this document.
- 1.6 The Company's accounts will be prepared following the conclusion of the accounting period in accordance with IFRS accounting standards. The Directors anticipate that these accounts will be published and available to Shareholders on or around 20 June 2017.
- 1.7 The functional currency is expected to be denominated in, and dividends are expected to be paid in Sterling on the basis that (i) a number of the investments together with fund expenses are expected to be in Sterling; and (ii) the majority of the investors are expected to invest and therefore receive dividends in Sterling.
- 1.8 The Company is registered with the GFSC as a registered closed-ended collective investment scheme. The Company is not regulated by any other regulator.
- 1.9 For the purposes of the IRS under FATCA, the Company has registered with the U.S. Internal Revenue Service and obtained a Global Intermediary Identification Number of FAX322.00000.LE.831.
- 1.10 The Company's application to the BaFin pursuant to section 330 KAGB for distribution of Ordinary Shares issued by the Company in Germany to professional investors (as defined in 1 para 19 no 32 of the KAGB) was approved by the BaFin on 24 February 2016. No application was made for the distribution of Ordinary Shares to private individuals or semi-professional investors as defined in section 1 para 19 no 31 and 32 of the KAGB.
- 1.11 The Company's application to the Danish Financial Supervisory Authority for a marketing authorisation of the Company towards professional investors pursuant to Section 130 of the Danish AIFM Act was approved by the Danish Financial Supervisory Authority on 24 February 2017.
- 1.12 On 2 December 2016, the AIFM submitted a notification to the CSSF of the intention of the Investment Manager to market the Company to professional investors within the territory of Luxembourg in accordance with Article 45 of the AIFM Law. (Marketing in Luxemburg without a passport of AIFs managed by a non-EU AIFM) and may so market subject to ongoing compliance with the applicable requirements of Article 45 of the AIFM Law (Article 42 of the AIFMD).

1.13 The Investment Manager's 1.13 application to the Swedish Financial Supervisory Authority for a marketing authorisation of the Company towards professional investors pursuant to Chapter 5 Section 10 of the Swedish AIFM Act was approved by the Swedish Financial Supervisory Authority on 12 April 2017.

2. Share Capital of the Company

2.1 As at the date of incorporation of the Company, the issued share capital of the Company was £1 divided into one ordinary share of no par value, which was held by IASL Nominees Limited. The Company does not have an authorised share capital. The Company may issue an unlimited number of shares which, upon issue the Directors may designate as Ordinary Shares or shares of such other class or classes (and denominated in any currency or currencies) as the Directors may determine. The Directors are expected to resolve to issue and allot, shortly prior to Admission, the Ordinary Shares pursuant to the Issue.

2.2 On 3 March 2015, 150 million Ordinary Shares were issued at 100 pence per share following a placing and offer for subscription by the Company.

2.3 For the periods ending 30 June 2015, 30 September 2015, 31 December 2015, 31 March 2016, 30 June 2016, 30 September 2016, 31 December 2016 and 31 March 2017 respectively the Investment Adviser was issued with 39,862, 45,563, 67,509, 125,488, 137,370, 196,908, 229,583 and 218,497 Ordinary Shares as it subscribed part of its management fee under the Investment Advisory Agreement for such Ordinary Shares.

2.4 On 2 November 2015, 146,853,627 C Shares were issued at 100 pence per share following an open offer, placing and offer for subscription by the Company. On 3 March 2016, the C Shares were converted into Ordinary Shares at a ratio of 1.0375 Ordinary Shares for every one C Share and admitted to the premium segment of the Official List.

2.5 On 10 June 2016, 175,171,834 C Shares were issued at 100 pence per share following an open offer, placing and offer for subscription by the Company. On 1 November 2016 the C Shares were converted into Ordinary Shares at a ratio of 0.9842 Ordinary Shares for every one C Share and admitted to the premium segment of the Official List.

2.6 As at 2 May 2017 (being the latest practicable date prior to the date of this document), there were 595,860,693 Ordinary Shares in issue.

2.7 On 15 July 2015, the Company declared an interim dividend of 1.0 pence per Ordinary Share which was paid on 14 August 2015. On 4 November 2015, the Company declared a further interim dividend of 1.0 pence per Ordinary Share which was paid on 30 November 2015. On 21 January 2016, the Company declared an interim dividend of 1.5 pence per Ordinary Share which was paid on 29 February 2016. On 20 April 2016, the Company declared a dividend of 1.5 pence per Ordinary Share, to be paid to Shareholders on the Company's share register as at 29 April 2016. On 19 July 2016, the Company declared an interim dividend of 1.5 pence per Ordinary Share which was paid on 26 August 2016. On 18 October 2016, the Company declared an interim dividend of 1.5 pence per Ordinary Share which was paid on 25 November 2016. On 18 January 2017, the Company declared an interim dividend of 1.5 pence per Ordinary Share which was paid on 24 February 2017. On 20 April 2017 the Company declared a quarterly dividend of 1.5 pence per share which will be paid on 24 May 2017. Since incorporation the Company has paid an aggregate of 9.5 pence per Ordinary Share in dividends.

2.8 As at 2 May 2017 (being the latest practicable date prior to the date of this document), the Company did not hold any Treasury Shares and no Ordinary Shares are held by, or on behalf of, the Company itself or by the Subsidiary.

2.9 Other than the issue of Ordinary Shares pursuant to the Issue and the Placing Programme and the reinvestment by the Investment Adviser of part of its management fee in accordance with the Investment Advisory Agreement, the Company has no present intention to issue any additional

shares in the capital of the Company. At the EGM, the Company is proposing to amend its Articles such that it will have the flexibility to offer Shareholders the option to elect for scrip dividends in the future. If approved by Shareholders at the EGM, the timing of any future scrip dividend alternative is at Board discretion and will be accompanied by a separate scrip dividend circular.

- 2.10 There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment of Shares but the Articles contain pre-emption rights in relation to allotment of Shares for cash similar (with certain exceptions) to those contained in the UK Companies Act 2006. The Company intends, by a Special Resolution to be passed at the EGM to be held on 19 May 2017, to disapply these pre-emption rights in relation to:
- (a) up to 151,658,768 Ordinary Shares for the purposes of the Issue; and
 - (b) up to 200 million Ordinary Shares for the purposes of the Placing Programme at an issue price calculated by reference to the Net Asset Value per Ordinary Share at the time of allotment together with a premium intended to cover the costs and expenses of the relevant placing of Ordinary Shares (including, without limitation, any placing commissions) and the initial investment of the amounts raised.
- 2.11 The Directors intend to request that the authority to allot a specified amount of the Ordinary Shares from time to time in issue on a non-pre-emptive basis, is renewed at each annual general meeting of the Company.
- 2.12 As at 2 May 2017 (being the latest practicable date prior to the date of this document) the Company is aware of the following shareholders who were at such time interested directly or indirectly in five per cent. or more of the Company's issued share capital:

| Name | Number of Ordinary Shares | Percentage of voting rights |
|-----------------------------------|------------------------------|--------------------------------|
| SEB Pensionsforsikring A/S | 66,236,639 | 11.12% |
| Old Mutual Global Investors | 51,478,363 | 8.63% |
| Investec Wealth & Investment (RS) | 42,033,610 | 7.05% |
| Smith & Williamson Investment Mgt | 39,523,124 | 6.63% |
| Rathbone Investment Mgt | 36,925,190 | 6.20% |
| Sarasin & Partners | 34,847,381 | 5.85% |
| Quilter Cheviot Investment Mgt | 33,079,756 | 5.55% |

- 2.13 As at 2 May 2017 (being the latest practicable date before publication of this document), the Directors and their beneficial holders hold 421,408 Ordinary Shares in the issued share capital of the Company. Further details of the Directors' interests in Shares are set out in paragraph 5.2 below.
- 2.14 As at 2 May 2017 (being the latest practicable date before publication of this document), the Investment Adviser holds 1,095,936 Ordinary Shares and the directors of the Investment Adviser hold 670,215 Ordinary Shares in the issued share capital of the Company.
- 2.15 As at 2 May 2017 (being the latest practicable date before publication of this document), the Investment Manager holds 50,000 Ordinary Shares in the issued share capital of the Company.
- 2.16 The Company does not have in issue any securities not representing share capital.
- 2.17 No Shares are currently in issue with a fixed date on which entitlement to a dividend arises or with a time limit after which entitlement to a dividend lapses and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 2.18 Save as disclosed in this paragraph 2, there has been no issue of share or loan capital of the Company since the Company's incorporation.

- 2.19 Except pursuant to the Issue Agreement, no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company.
- 2.20 Save for the Ordinary Shares to be issued pursuant to the Investment Advisory Agreement, no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option, nor will any such share or loan capital be under option or agreed, conditionally or unconditionally, to be put under option at Admission.
- 2.21 Other than pursuant to the Issue and the Placing Programme, no shares of the Company have been sold or are available, in whole or in part, to the public in conjunction with the application for the Placing Programme Shares or Ordinary Shares to be admitted to the Official List.
- 2.22 The Ordinary Shares and Placing Programme Shares are in registered form. No temporary documents of title will be issued and, prior to the issue of definitive certificates, transfers will be certified against the register. It is expected that definitive share certificates for the Ordinary Shares issued pursuant to the Issue and not to be held through CREST will be posted to allottees on or around 2 June 2017. Placing Programme Shares issued pursuant to the Placing Programme will be transferred to successful applicants through CREST. The Ordinary Shares and Placing Programme Shares to be held through CREST will be credited to CREST accounts on Admission and any Placing Programme Admission, respectively.
- 2.23 No convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
- 2.24 No person has voting rights that differ from those of other Ordinary Shareholders.
- 2.25 As at the date of this Prospectus, none of the Administrator, the Registrar or KPMG Channel Islands Limited (the auditor to the Company) has a shareholding or any other interest in the share capital of the Company.
- 2.26 As at the date of this document, there are no C Shares in issue.

3. Memorandum and Articles of Incorporation

3.1 The Articles contain, *inter alia*, the following material provisions. In this paragraph 3, references to the Directors and the Board are to the directors of the Company and the board of directors of the Company from time to time. Under the Memorandum the objects of the Company are unrestricted. The following is a brief summary of certain provisions of the Articles and Memorandum:

(a) ***Ordinary Shares***

(i) *Dividends*

Holders of Ordinary Shares are entitled to participate in any dividends and other distributions of the Company other than in relation to assets attributable to any class of C Share.

(ii) *Winding up*

In the event of a winding up of the Company the surplus assets of the Company available for distribution to holders after payment of all other debts and liabilities of the Company shall be applied in the following manner and order of priority:

(A) first, in paying to each holder of Ordinary Shares in respect of each Ordinary Share of which it is the holder a sum equal to the amount paid up or credited as paid up thereon; and

(B) second, the balance of such assets (if any) shall be distributed amongst the holders of the Ordinary Shares (in proportion to the number of Ordinary Shares held by them).

(iii) *Voting*

Holders of Ordinary Shares shall have the right to receive notice of and to attend, speak and vote at general meetings of the Company and each holder being present in person or by proxy shall upon a show of hands have one vote and upon a poll one vote in respect of every Ordinary Share held by him.

(b) *C Shares*

(i) The holders of C Shares are entitled to participate in any dividends and other distributions of the Company as the Directors may resolve to pay to such holders out of the assets attributable to such shares.

(ii) The new Ordinary Shares of the relevant class arising on Conversion shall rank *pari passu* with the outstanding Ordinary Shares of the relevant class in issue at the Conversion Time.

(iii) If any C Shares are outstanding as at the time of a winding up or a return of capital (other than by way of a purchase of own shares by the Company) the capital and assets of the Company shall on a winding up or on a return of capital (other than by way of a purchase of own shares by the Company) be applied as follows:

(A) the Ordinary Share Surplus shall be divided amongst the holders of Ordinary Shares according to the rights attaching thereto as if the Ordinary Share Surplus comprised the assets of the Company available for distribution; and

(B) the C Share Surplus shall be divided amongst the holders of C Shares *pro rata* according to their holdings of C Shares.

(iv) The C Shares shall not carry any right to attend or vote at any meeting of the Company, save for in the following circumstances, where the consent of the holders of the C Shares as a class by Special Resolution shall be required for:

(A) any alteration to the Memorandum or the Articles;

(B) the passing of any resolution to wind up the Company; and

(C) the variation or abrogation of the rights attaching to the C Shares.

(v) The C Shares shall be transferable in the same manner as the Ordinary Shares.

(c) *Share Capital*

(i) The Company may issue an unlimited number of shares of par value and/or no par value or a combination of both. Shares may be denominated in any currency and different classes of shares may be denominated in different currencies (or no currency in the case of shares of no par value).

(ii) Subject to the provisions of the Guernsey Companies Law and without prejudice to any rights attached to any existing shares or class of shares or to the provisions of the Articles, any share may be issued with such preferred deferred conversion or other rights or restrictions as the Company may by ordinary resolution direct or, subject to or in default of any such direction, as the Directors may determine.

(iii) The Company may issue fractions of shares and any such fractional shares shall rank *pari passu* in all respects with the other shares of the same class issued by the Company.

(iv) The Company may from time to time hold its own shares as Treasury Shares.

- (v) The Company may acquire its own shares. Any such shares acquired by the Company may be cancelled or may be held as Treasury Shares, subject to and in accordance with the Guernsey Companies Law.
- (vi) Subject to the provisions of the Guernsey Companies Law, the Company and any of its subsidiary companies, may give financial assistance, as defined in the Guernsey Companies Law, directly or indirectly for the purposes of, or in connection with the acquisition of its shares.
- (vii) The Company may issue shares which are, or at the option of the Company or the holder are, liable to be redeemed and convert all or any class of its shares into redeemable shares.
- (viii) The Company may issue shares which do not entitle the holder to voting rights in any general meeting or entitle the holder to restricted voting rights in any general meeting.
- (ix) Whenever the capital of the Company is divided into different classes of shares the rights attached to any class may (subject to the terms of issue of the shares of that class) be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up:
 - (A) with the consent in writing of the holders of at least 75 per cent. of the issued shares of that class; or
 - (B) with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class (excluding Treasury Shares).
- (x) All the provisions of the Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply to every such separate meeting except that, in accordance with the Guernsey Companies Law:
 - (A) the necessary quorum shall be two persons present holding or representing by proxy at least one-third of the voting rights of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, one person present holding shares of the relevant class shall be a quorum) provided always that where the class has only one member, that member shall constitute the necessary quorum;
 - (B) any holder of shares of the class in question may demand a poll.
- (xi) The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other rights shall (unless otherwise expressly provided by the terms of issue of such shares) be deemed not to be varied by the creation or issue of further shares ranking *pari passu* therewith and, for the avoidance of doubt, the issue of C Shares shall not be treated as varying the rights attaching to Ordinary Shares and the issue of Ordinary Shares shall not be treated as varying the rights attaching to C Shares or by the exercise of any power under the disclosure provisions requiring holders of shares to disclose an interest in the Company's shares pursuant to the Articles as summarised below.
- (xii) Subject to the provisions of the Guernsey Companies Law, the Articles, and any resolution of the Company, the Directors have general and unconditional authority:
 - (A) to allot, issue (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of unissued shares of the Company or rights to subscribe or convert any security into shares; or
 - (B) to sell, transfer or cancel any Treasury Shares held by the Company,

in any such case to such persons, at such times and on such terms and conditions as the Directors may decide. Without limiting this article, the Directors may designate the unissued shares upon issue as Ordinary Shares or C Shares or such other class or classes of shares (and denominated in any currency or currencies as the Directors may determine) or as shares with special or other rights as the Directors may then determine.

- (xiii) Subject to the provisions of the Guernsey Companies Law, the authority of the Directors to issue shares or grant rights to subscribe for or convert any security into shares shall be unlimited; but to the extent that the authority of the Directors to issue shares is at any time limited by the Guernsey Companies Law, the Directors are generally and unconditionally authorised to exercise all powers of the Company to issue up to (or grant rights to subscribe for or convert any security into) a maximum aggregate amount of £1 billion shares including, without limitation, Shares and C Shares) or such other amount as may from time to time be authorised by the Company and such authority shall remain in force for a period of five years from the date of adoption of the Articles in force on IPO but may be revoked, varied or renewed from time to time by the Company in accordance with the Guernsey Companies Law provided always that the Company, before the authority expires, may make an offer or agreement which would or might require shares to be issued (or rights to subscribe for, or convert any security into, to be granted) after it expires and the Directors may issue (or grant rights to subscribe for, or convert any security into) such shares in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.
- (xiv) The Company may exercise the powers of paying commissions and in such an amount or at such a percentage rate as the Directors may determine. Subject to the provisions of the Guernsey Companies Law any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
- (xv) Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by the Articles or by law) the Company shall not be bound by or recognise (even when having notice thereof) any interest in any share except an absolute right to the entirety thereof in the holder.
- (xvi) Subject to sub-paragraph 3.1(c)(xvii), the Company shall not issue equity securities, nor sell them from treasury, for cash on any terms to a person unless it has made an offer to each person who is a holder of equity securities of the same class in the Company to issue to him on the same or more favourable terms a proportion of those equity securities which is as nearly as practicable equal to the proportion in value held by him of the shares of that class then in issue. The foregoing pre-emption rights can be disapplied by an authority of a Special Resolution either generally, or in respect of a specific issue or sale from treasury.
- (xvii) The pre-emption rights in sub-paragraph 3.1(c)(xvi) above shall not apply in relation to the issue of:
 - (A) bonus shares, shares issued in lieu of dividend or distribution, nor to a particular issue of equity securities if they are, or are to be, wholly or partially paid otherwise than in cash; or
 - (B) equity securities in connection with a rights issue, open offer or other offer of securities in favour of the holders of shares or a class of shares at such record date as the Directors may determine where the securities attributable to the interests of holders of shares of a class are proportionate (as near as may be practicable) to the respective numbers of shares of that class held by them on such record date, subject to such conditions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical

problems arising under the laws of any jurisdiction or the requirements of any regulatory body or stock exchange or any other matter whatsoever.

(d) **Disclosure Notice**

- (i) The Company may, by notice in writing (a “**Disclosure Notice**”) require a person whom the Company knows to be or has reasonable cause to believe is or, at any time during the three years immediately preceding the date on which the Disclosure Notice is issued, to have been interested in any shares:
 - (A) to confirm that fact or (as the case may be) to indicate whether or not it is the case; and
 - (B) to give such further information as may be required in accordance with the Articles, as summarised in sub-paragraph 3.1(d)(ii) below.
- (ii) A Disclosure Notice may (without limitation) require the person to whom it is addressed:
 - (A) to give particulars of the person’s status (including whether such person constitutes or is acting on behalf of or for the benefit of a U.S. Plan Investor or is a U.S. Person), domicile, nationality and residency;
 - (B) to give particulars of his own past or present interest in any shares (held by him at any time during the three year period specified in the Articles, as summarised in sub-paragraph 3.1(d)(i) above) and the nature of such interest;
 - (C) to disclose the identity of any other person who has a present interest in the shares held by him (held by him at any time during the three year period specified in the Articles);
 - (D) where the interest is a present interest and any other interest in any shares subsisted during that three year period at any time when his own interest subsisted, to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required by the Disclosure Notice; and
 - (E) where his interest is a past interest to give (so far as is within his knowledge) like particulars of the identity of the person who held that interest immediately upon his ceasing to hold it.
- (iii) Any Disclosure Notice shall require any information in response to such notice to be given within the prescribed period (which is 28 days after service of the notice or 14 days if the shares concerned represent 0.25 per cent. or more in number of the issued shares of the relevant class) or such other reasonable period as the Directors may determine.
- (iv) If any member is in default in supplying to the Company the information required by the Company within the prescribed period or such other reasonable period as the Directors determine, the Directors in their absolute discretion may serve a direction notice on the member. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the “**Default Shares**”) the member shall not be entitled to vote in general meetings or class meetings. Where the Default Shares represent at least 0.25 per cent. in number of the class of shares concerned, the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the Default Shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified. Subject always to the rules of the CREST UK system, any other relevant system from which transfers of shares are settled, the requirements of the UK Listing Authority, the London Stock Exchange in respect of the Default Shares, where the Directors have any grounds

to believe that such Default Shares, are held by or for the benefit of or by persons acting on behalf of a U.S. Plan Investor or U.S. Persons, the Directors may at their discretion deem the Default Shares to be held by, or on behalf of or for the benefit of, a U.S. Plan Investor or a U.S. Person (as the Directors may determine) and that the provisions of the Articles, as summarised in sub-paragraph 3.1(f)(vi) below, should apply to such Default Shares.

(e) ***Untraced Shareholders***

The Company may sell the share of a member or of a person entitled by transmission at the best price reasonably obtainable at the time of sale if, in accordance with the terms of the Articles, that person has not claimed or accepted dividends declared over a period of time and has not responded to advertisements of the Company.

(f) ***Transfer of Shares***

- (i) Subject to the terms of the Articles, any member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Directors may approve. An instrument of transfer of a certificated share shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. The Directors may, without assigning any reasons therefor, refuse to register the transfer of a certificated share (whether fully paid or not) unless the instrument of transfer is lodged at the office or at such other place as the Directors may appoint and is accompanied by any certificates for the shares to which it relates and such other evidence as the Directors may require to show the right of the transferor to make the transfer.
- (ii) Subject to the terms of the Articles, any member may transfer all or any of his uncertificated shares by means of a relevant system authorised by the Directors in such manner provided for, and subject as provided, in the Regulations or such as may otherwise from time to time be adopted by the Directors on behalf of the Company and the rules of any relevant system and accordingly no provision of the Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred. The Directors may decline to register a transfer of an uncertificated share in the circumstances set out in the Regulations or such as may otherwise from time to time be adopted by the Directors on behalf of the Company or the rules of any relevant system, or where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.
- (iii) The Directors shall have power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the CREST UK system.
- (iv) Subject to the CREST Guernsey Requirements and/or the rules of any other relevant system, the registration of transfers may be suspended by giving such notices as may be required by the rules of any relevant system at such times and for such periods (not exceeding 30 days in any year) as the Directors may determine.
- (v) No fee shall be charged for the registration of any instrument of transfer or, subject as otherwise provided in the Articles, any other document relating to or affecting the title to any share.
- (vi) If it shall come to the notice of the Directors that any shares:
 - (A) are or may be owned or held directly or beneficially by any person whose ownership or holding or continued ownership or holding of those shares (whether

on its own or in conjunction with any other circumstance appearing to the Directors to be relevant) might in the reasonable opinion of the Directors cause or be likely to cause the assets of the Company to be considered plan assets for the purposes of ERISA or the United States Internal Revenue Code of 1986 (as amended); or

- (B) are or may be owned or held directly or beneficially by any person to whom a transfer of shares or whose ownership or holding of any shares might in the opinion of the Directors:
 - (aa) cause the Company to be required to register as an investment company under the U.S. Investment Company Act (including because the holder of the shares in the Company is not a “qualified purchaser” as defined in the U.S. Investment Company Act) or to lose an exemption or status thereunder to which it might otherwise be entitled;
 - (bb) cause the Company to be required to register under the U.S. Exchange Act or any similar legislation;
 - (cc) cause the Company not to be considered as “foreign private issuer” as such term is defined in rule 3b-4(c) under the U.S. Exchange Act;
 - (dd) result in a person holding shares in the Company in violation of the transfer restrictions set forth in any offering memorandum or prospectus published by the Company from time to time; or
 - (ee) otherwise result in the Company incurring a liability to taxation or suffering any pecuniary, fiscal, administrative or regulatory or similar disadvantage,

the Directors may (i) refuse to register a transfer of shares which would result in those shares being subject to the provisions of the Articles summarised in sub-paragraphs 3.1(f)(vi)(A) or 3.1(f)(vi)(B) above and/or (ii) serve a notice (a “**Transfer Notice**”) upon the person (or any one of such persons where shares are registered in joint names) appearing in the register as the holder (the “**Vendor**”) of any of the shares concerned (the “**Relevant Shares**”) requiring the Vendor within twenty-one days (or such extended time as in all the circumstances the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) the Relevant Shares to another person who, in the sole and conclusive determination of the Directors, would not fall within the provisions of the Articles summarised in sub-paragraphs 3.1(f)(vi)(A) or 3.1(f)(vi)(B) above (such a person being hereinafter called an “**Eligible Transferee**”). On and after the date of such Transfer Notice, and until registration of a transfer of the Relevant Share to which it relates pursuant to the provisions referred to in this sub-paragraph or sub-paragraph 3.1(f)(vii) below, the rights and privileges attaching to the Relevant Shares will be suspended and not capable of exercise.

- (vii) If within 21 days after the giving of a Transfer Notice (or such extended time as in all the circumstances the Directors consider reasonable) the Transfer Notice has not been complied with to the satisfaction of the Directors, the Company may sell the Relevant Shares on behalf of the holder of them by instructing a member of the London Stock Exchange to sell them on arm’s length terms to any Eligible Transferee or Eligible Transferees. For this purpose, the Directors may authorise in writing any officer or employee of the Company or any officer or employee of the secretary of the Company or of any manager that may be appointed to transfer the Relevant Shares on behalf of the holder of them to the purchaser or purchasers and an instrument of transfer executed

by that person will be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the Relevant Shares. The purchaser will not be bound to see the application of the purchase monies nor will its title to the Relevant Shares be affected by an irregularity or invalidity in the proceedings relating to the sale or by the price at which the Relevant Shares are sold. The net proceeds of the sale of the Relevant Shares will be received by the Company, whose receipt will be a good discharge for the purchase moneys, and will belong to the Company and, upon their receipt, the Company will become indebted to the former holder of, or person entitled by transmission to, the Relevant Shares for an amount equal to the net proceeds of transfer upon surrender by it or them, in the case of certificated Shares, of the certificate for the Relevant Shares which the Vendor shall immediately be obliged to deliver to the Company. No trust will be created in respect of the debt and no interest will be payable in respect of it. The Company will pay to the Vendor at its discretion or on demand by the Vendor the proceeds of transferring the Relevant Shares (less costs and expenses) but otherwise the Company will not be required to account for any money secured from the net proceeds of transfer which may be employed in the business of the Company or as it thinks fit. The Company may register the transferee as holder or holders of the Relevant Shares at which time the transferee will become absolutely entitled to them.

- (viii) A person who becomes aware that it falls within either the provisions of the Articles summarised in sub-paragraphs 3.1(f)(vi)(A) or 3.1(f)(vi)(B) above shall forthwith, unless it has already received a Transfer Notice pursuant to the provisions of the Articles summarised in sub-paragraph 3.1(f)(vi) above either transfer the shares to one or more Eligible Transferees or give a request in writing to the Directors for the issue of a Transfer Notice in accordance with the provisions of the Articles summarised in sub-paragraph 3.1(f)(vi) above. Every such request shall, in the case of certificated shares, be accompanied by the certificate(s) for the shares to which it relates.
- (ix) Subject to the provisions of the Articles, the Directors will, unless any Director has reason to believe otherwise, be entitled to assume without enquiry that none of the shares are held in such a way as to entitle the Directors to serve a Transfer Notice in respect thereof. The Directors may, however, at any time and from time to time call upon any holder (or any one of joint holders) of shares by notice in writing to provide such information and evidence as they require upon any matter connected with or in relation to such holder of shares. In the event of such information and evidence not being so provided within such reasonable period (not being less than twenty-one days after service of the notice requiring the same) as may be specified by the Directors in the said notice, the Directors may, in their absolute discretion, treat any share held by such a holder or joint holders as being held in such a way as to entitle them to serve a Transfer Notice in respect of such share.
- (x) The Directors will not be required to give any reasons for any decision, determination or declaration taken or made in accordance with these provisions. The exercise of the powers conferred by the provisions of the Articles summarised in sub-paragraphs 3.1(f)(vi) and/or 3.1(f)(vii) and/or 3.1(f)(viii) and/or 3.1(f)(ix) above may not be questioned or invalidated in any case on the grounds that there was insufficient evidence of direct or beneficial ownership or holding of shares by any person or that the true direct or beneficial owner or holder of any shares was otherwise than as appeared to the Directors at the relevant date provided that the said powers have been exercised in good faith.
- (xi) Uncertificated shares of a class are not to be regarded as forming a separate class from certificated shares of that class.

(g) ***Alteration of Capital***

The Company may, by Ordinary Resolution, alter its share capital, including, *inter alia*, consolidating share capital, sub-dividing shares, cancelling untaken shares, converting shares into shares of a different currency and denominating or redenominating the currency of share capital.

(h) ***Notice of General Meetings***

Any general meeting shall be called by at least ten days' notice. A general meeting may be deemed to have been duly called by shorter notice if it is so agreed by all the members entitled to attend and vote thereat. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

(i) ***Votes of Members***

(i) Subject to any rights or restrictions attached to any shares, on a show of hands every member present in person or by proxy (or in the case of corporations, present by a duly authorised representative) shall have one vote and on a poll every member present in person or by proxy (or in the case of corporations, present by a duly authorised representative) shall have one vote for every share of which he is the holder.

(ii) Unless the Board otherwise decides, no member shall be entitled to vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all calls and other sums presently payable by him in respect of that share have been paid.

(iii) No person shall be entitled to vote in respect of any shares that he has acquired unless he has been registered in the register as their holder.

(iv) No member of the Company shall, if the Directors so determine, be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he or any other person appearing to be interested in such shares has failed to comply with a Disclosure Notice within 14 days, in a case where the shares in question represent at least 0.25 per cent. of their class, or within 28 days, in any other case, from the date of such Disclosure Notice. These restrictions will continue until the information required by the notice is supplied to the Company or until the shares in question are transferred or sold in circumstances specified for this purpose in the Articles.

(j) ***Powers of Directors***

Subject as hereinafter provided, the Directors may exercise all the powers of the Company to borrow or raise money (including the power to borrow for the purpose of redeeming shares) and secure any debt or obligation of or binding on the Company in any manner including by the issue of debentures (perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing by mortgage charge pledge or lien upon the whole or any part of the Company's undertaking property or assets (whether present or future) and also by a similar mortgage charge pledge or lien to secure and guarantee the performance of any obligation or liability undertaken by the Company or any third party.

(k) ***Appointment and Retirement of Directors***

(i) Subject to the Guernsey Companies Law and the Articles, the Directors shall have power at any time, and from time to time, without sanction of the Company in general meeting, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director. Any Director so appointed shall hold office only until the next

annual general meeting and shall then be eligible for re-appointment. Subject to the Guernsey Companies Law and the Articles, the Company may by Ordinary Resolution appoint any person as a Director; and remove any person from office as a Director.

- (ii) A Director may resign from office as a Director by giving notice in writing to that effect to the Company at its office, which notice shall be effective upon such date as may be specified in the notice, failing which upon delivery to the registered office.
- (iii) Unless there is only one Director appointed, at each annual general meeting two Directors, or such other number as may be determined in accordance with any policy adopted by the Board from time to time, shall retire from office. Such Directors may be reappointed.

(l) ***Disqualification and Removal of Directors***

- (i) A Director shall not be required to hold any qualification shares.
- (ii) The office of a Director shall be vacated if he ceases to be a Director by virtue of any provision of the Guernsey Companies Law or he ceases to be eligible to be a Director in accordance with the Guernsey Companies Law; or he has his affairs declared en désastre, becomes bankrupt or makes any arrangement or composition with his creditors generally or otherwise has any judgment executed on any of his assets; or he becomes of unsound mind or incapable or an order is made by a court having jurisdiction (whether in Guernsey or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator or other person to exercise powers with respect to his property or affairs; or he shall have absented himself from meetings of the Directors for a consecutive period of 12 months and the Directors resolve that his office shall be vacated; or he dies; or he resigns his office by notice to the Company; or the Company so resolves by Ordinary Resolution; or where there are more than two Directors, all the other Directors request him to resign in writing.

(m) ***Remuneration of Directors***

Unless otherwise determined by the Company by Ordinary Resolution, the Directors shall be remunerated for their services at such rate as the Directors shall determine provided that the aggregate amount of such fees shall not exceed the annual equivalent of £250,000 per annum (or such sum as the Company in general meeting shall from time to time determine).

(n) ***Directors' Appointments and Interests***

- (i) Subject to the provisions of the Guernsey Companies Law, the Directors may appoint one or more of their number to the office of managing Director or to any other executive office upon such terms as they determine.
- (ii) Subject to and in accordance with the Guernsey Companies Law, a Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose that fact to the Directors.
- (iii) For the purposes of the article summarised in sub-paragraph 3.1(n)(ii) a general disclosure given to the Directors to the effect that a Director has an interest (as Director, officer, employee, member or otherwise) in a party and is to be regarded as interested in any transaction which may after the date of the disclosure be entered into with that party shall be deemed to be sufficient disclosure of his interest in any such transaction or arrangement.
- (iv) The requirement summarised in sub-paragraph 3.1(n)(ii) above does not apply if the transaction proposed is between a Director and the Company, or if the Company is entering into the transaction in the ordinary course of business on usual terms.

- (v) A Director may not vote or be counted in the quorum on a resolution of the Board or committee of the Board concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him) is, to his knowledge, a material interest (otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company) but, in the absence of some other material interest than is mentioned below, this prohibition does not apply to a resolution concerning any of the following matters:
- (A) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;
 - (B) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity by the giving of security;
 - (C) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiaries for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (D) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including any subsidiary of the Company) in which he (and any persons connected with him) is interested and whether as an officer, shareholder, creditor or otherwise, if he (and any persons connected with him) does not to his knowledge hold an interest in shares representing one per cent. or more of either class of the equity share capital of or the voting rights in the relevant company (or of any other company through which his interest is derived);
 - (E) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its subsidiaries which only awards him a privilege or benefit generally accorded to the employees to whom it relates; and
 - (F) a contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.
- (vi) For the purposes of this article, a person shall be treated as being connected with a Director if that person is:
- (A) a spouse, child (under the age of 18) or step child (under the age of 18) of the Director; or
 - (B) an associated body corporate which is a company in which the Director alone, or with connected persons, is directly or indirectly beneficially interested in 20 per cent. or more of the value of the equity share capital or is entitled (alone or with connected persons) to exercise or control the exercise of more than 20 per cent. of the voting power at general meetings; or
 - (C) a trustee (acting in that capacity) of any trust, the beneficiaries of which include the Director or persons falling within paragraphs (A) and (B) above excluding trustees of an employees' share scheme or pension scheme; or
 - (D) a partner (acting in that capacity) of the Director or persons in paragraphs (A) to (C) above.

- (vii) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company, or whereat the terms of any such appointment are arranged or whereat any contract between the Director and the Company are considered, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof. Where proposals are under consideration concerning the appointment (including without limitation fixing or varying the terms of appointment or its termination) of two or more Directors to offices or places of profit with the Company or a company in which the Company is interested, such proposals shall be divided and a separate resolution considered in relation to each Director. In such case each of the Directors concerned (if not otherwise debarred from voting under these provisions) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (viii) A Director may hold any other office or place of profit under the Company (other than the Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such office or place of profit or as vendor purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director so contracting or being so interested be liable to account to the Company for any profits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- (ix) Any Director may act by himself or his firm in a professional capacity for the Company (other than Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (x) Any Director may continue to be or become a Director, managing Director, manager or other officer or member of any company promoted by the Company or in which the Company may be interested, and any such Director shall not be accountable to the Company for any remuneration or other benefits received by him as Director, managing Director, manager or other officer or member of any such company. The 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 themselves as Directors, managing Directors, managers or other officers of such company) and any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be or be about to be appointed a Director, managing Director, manager or other officer of such company, and as such is or may become interested in the exercise of such voting rights in manner aforesaid.
- (xi) If a question arises at a meeting as to the materiality of a Director's interest (other than the interest of the chairman of the meeting) or as to the entitlement of a Director (other than the chairman) to vote or to be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be referred to the chairman and his ruling in relation to the Director concerned is conclusive and binding on all concerned.
- (xii) If a question arises at a meeting as to the materiality of the interest of the chairman of the meeting or as to the entitlement of the chairman to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be decided by resolution of the Directors or committee members present at the meeting (excluding the chairman) whose majority vote is conclusive and binding on all concerned.

(o) ***Dividends and Distributions***

- (i) The Company may reduce its share capital by way of distribution of amounts standing to any capital account of the Company or otherwise as the Directors may determine.
- (ii) Subject to the provisions of the Guernsey Companies Law and the Articles, the Company may by Ordinary Resolution declare dividends and/or make distributions in accordance with the respective rights of the members and subject to provisions of the Articles summarised in sub-paragraph 3.1(o)(iv) below and to any special rights to dividends or other relevant rights or remedies set out in the terms of issue of any class of shares.
- (iii) No dividend or other distribution shall exceed the amount recommended by the Directors.
- (iv) Subject to the provisions of the Guernsey Companies Law, and the Articles, the Directors may from time to time pay interim dividends and/or distributions if it appears to them that they are justified by the assets of the Company.
- (v) Except as otherwise provided by the rights attached to shares, all dividends or other distributions shall be declared and paid according to the amounts paid up on shares on which the dividend or other distribution is paid. All dividends or other distributions shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend or other distribution is paid, but, if any share is issued on terms providing that it shall rank for dividend or other distribution as from a particular date, that share shall rank for dividend or other distribution accordingly. Any resolution declaring a dividend or a distribution on a share, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be payable to the person registered as the holders of the shares at the close of business on a particular date notwithstanding that it may be a date prior to that on which the resolution is passed and thereupon the dividend or distribution shall be payable to such persons in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend or distribution of transferors and transferees of any such shares.
- (vi) A general meeting declaring a dividend or other distribution may, upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the Directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
- (vii) The Directors may deduct from any dividend or other distribution, or other moneys payable to any member on or in respect of a share, all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- (viii) All unclaimed dividends or other distributions may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee thereof. Any dividend or other distribution which has remained unclaimed for twelve years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company. No dividend or other distribution or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.
- (ix) The Directors are empowered to create reserves before recommending or declaring any dividend. The Directors may also carry forward any profits which they think prudent not to divide.

- (p) **Winding Up**
- (i) Upon a winding up of the Company, the assets available for distribution to members, shall, subject to the rights attaching to any class of shares and the provisions of the Articles, be distributed according to the number of shares held by that member.
 - (ii) Within 18 months of the IPO and within every three years thereafter, the Directors must propose an Ordinary Resolution that the Company continues its business as a closed-ended investment company (the “**Continuation Resolution**”). If a Continuation Resolution is not passed, the Directors must put forward proposals to the shareholders of the Company within six months thereof for the reconstruction or reorganisation of the Company. Such proposals may or may not involve winding up the Company.
- (q) **Certain U.S. and U.S.-related Tax Matters**
- (i) The Company is authorised to take any action it determines is desirable to comply with FATCA, and may enter into an agreement with the U.S. Internal Revenue Service or the taxing and revenue services of any other country. The Company shall not pay any additional amounts to any person in respect of any withholding of taxes, including those relating to FATCA.
 - (ii) The Company is not required to make available the information necessary for any person to make a so-called “qualified electing fund” election under U.S. tax law.

4. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Company has applied for the Ordinary Shares to be admitted to CREST. It is expected that the Ordinary Shares will be so admitted, and accordingly enabled for settlement in CREST, as soon as practicable after Admission, respectively, has occurred.

5. Directors’ Interests

- 5.1 Pursuant to the IPO, each Director applied their listing fee of £7,500 in subscribing for 7,500 Ordinary Shares. In addition:
- Mr Jennings and his family invested a further £92,500 in subscribing for 92,500 Ordinary Shares pursuant to the IPO;
 - Mr Pethick invested a further £150,000 in subscribing for 150,000 Ordinary Shares pursuant to the IPO;
 - On 28 April 2015, Mr Jennings and a person connected to him each acquired a further 7,500 Ordinary Shares at a price of 106 pence per Ordinary Share;
 - Mr Jennings and his family invested a further £63,000 in subscribing for 63,000 C Shares pursuant to the 2016 C Share Issue (which have subsequently been converted into 62,004 Ordinary Shares);
 - Mr Bridel and his family invested a further £3,000 in subscribing for 3,000 C Shares pursuant to the 2016 C Share Issue (which have subsequently been converted into 2,952 Ordinary Shares);
 - Mr Pethick and his family invested a further £63,000 in subscribing for 63,000 C Shares pursuant to the 2016 C Share Issue (which have subsequently been converted into 62,004 Ordinary Shares);
 - Ms Platts and her family invested a further £3,000 in subscribing for 3,000 C Shares pursuant to the 2016 C Share Issue (which have subsequently been converted into 2,952 Ordinary Shares); and
 - Mr Jennings and his family invested a further £4,317.84 in purchasing 3,998 Ordinary Shares in the market.

- 5.2 As at the date of this document, insofar as is known to the Company, the interests of each Director (including any connected person, 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 are as follows:

| Director | Number of Ordinary Shares | % of issued Ordinary Share capital as at the date of this document |
|-----------------|----------------------------------|---|
| Robert Jennings | 181,000* | 0.030% |
| Jan Pethick | 219,504* | 0.037% |
| Jonathan Bridel | 10,452* | 0.002% |
| Sandra Platts | 10,452* | 0.002% |

*Note: These figures include Ordinary Shares held by family members of the relevant Directors.

- 5.3 The following table sets out details of all companies and partnerships of which the Directors have been directors or partners in the last five years (disregarding any subsidiaries of companies listed).

| Name | Name of company/partnership | Position still held (Y/N) |
|------------------------|---|----------------------------------|
| Robert Jennings | Crossrail Limited | Y |
| | Greensands Holdings Limited | N |
| | Friends of Brook Green | Y |
| | Safeguard Finance Limited | Y |
| | Southern Water Services Limited | N |
| Jan Pethick | Chariot Innovations Limited | N |
| | Childhood First | N |
| | Kew Foundation | Y |
| | London School of Hygiene and Tropical Medicine | N |
| | London Youth Support Trust | Y |
| | Luthy Baillie Pethick | N |
| | Moody's UK | Y |
| | Moody's Deutschland GmbH | Y |
| | Moody's France SAS | Y |
| | Moody's Investors Service Limited | Y |
| | Moody's Investors Service EMEA Limited | Y |
| | Opera Novella Ltd | N |
| | Salus Limited | N |
| | Troy Asset Management | Y |
| | Trustee Merrill Lynch Pension Fund | N |
| Jonathan Bridel | Alcentra European Floating Rate Income Fund Limited | Y |
| | Altus Global Gold Limited (Liquidated 13 November 2015) | N |
| | AnaCap Credit Income Fund GP Limited | Y |
| | AnaCap Credit Opportunities GP II Limited | Y |
| | AnaCap Credit Opportunities GP III Limited | Y |
| | AnaCap Credit Opportunities II Limited | Y |
| | AnaCap Credit Opportunities III Limited | Y |
| | AnaCap Investment Manager Limited | Y |
| | Aurora Russia Limited | N |
| | BWE GP Limited | Y |
| | DP Aircraft I Limited | Y |
| | DP Aircraft Guernsey I Limited | Y |
| | DP Aircraft Guernsey II Limited | Y |
| | DP Aircraft Guernsey III Limited | Y |
| | DP Aircraft Guernsey IV Limited | Y |
| | Fair Oaks Income Fund Limited | Y |
| | FTSE UK Commercial Property Index Fund Limited | N |

| Name | Name of company/partnership | Position still held (Y/N) |
|---|---|-------------------------------------|
| Jonathan Bridel <i>(continued)</i> | Funding Circle SME Income Fund Limited | Y |
| | GLF (GP) Limited (Liquidated) | N |
| | Impax Renewable Power Infrastructure Limited | N |
| | MGI (Guernsey) Limited | N |
| | Palio Capital Founding Partners Limited | N |
| | Palio Capital Management Guernsey Limited | N |
| | Perpetual Global Limited | N |
| | Rhodium Stone PCC Limited | N |
| | Starfin Public GP Limited | Y |
| | Starwood European Real Estate Finance Limited | Y |
| | The Renewables Infrastructure Group Limited | Y |
| | Vision Capital Management Limited | Y |
| | Sandra Platts | Crosslane Student Accommodation PLC |
| Investec Bank (Channel Islands) Limited | | Y |
| Kleinwort Benson (CI) Ltd | | N |
| NB Global Floating Rate Income Fund | | Y |
| Revetas GP Limited | | Y |
| Revetas GP II Limited | | Y |
| Starfin GP Limited | | Y |
| Starwood European Finance Partners Limited | | Y |
| Tamar European Industrial Fund Limited (In Voluntary Liquidation) | | N |
| UK Commercial Property Trust | | Y |
| Altair Guernsey Limited | | Y |

- 5.4 The business address of all of the Directors is the registered office of the Company: Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR.
- 5.5 Save as disclosed above, none of the Directors has at any time within the last five years preceding the date of this document:
- been a member of the administrative, management or supervisory bodies or a partner of any company or partnership;
 - had any convictions (whether spent or unspent) in relation to offences involving fraud or dishonesty;
 - been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
 - been a director or senior manager of a company which has been put into receivership, compulsory liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors; or
 - been the subject of any bankruptcy or been subject to an individual voluntary arrangement or a bankruptcy restrictions order.
- 5.6 There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any Director was selected.
- 5.7 There are no restrictions agreed by any Director on the disposal within a certain period of time of his holdings in the Company's securities.
- 5.8 There are no outstanding loans or guarantees provided by the Company for the benefit of any of the Directors nor are there any loans or any guarantees provided by any of the Directors for the Company.

- 5.9 No Director or principal has any potential conflicts of interests between any duties the Directors or principal owes to the Company and any private interests and/or other duties.
- 5.10 The Company will maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company to the extent that the Company is able to obtain such insurance.

6. Directors' remuneration and service agreements

- 6.1 All of the Directors are non-executive directors.
- 6.2 All of the Directors have served as directors of the Company since 6 January 2015.
- 6.3 Each of the Directors has entered into a letter of appointment with the Company dated 6 January 2015, which is, in respect of (i) Jan Pethick, Jonathan Bridel and Sandra Platts, terminable on two months' notice served by either party; and (ii) Robert Jennings, terminable on four months' notice by either party. The annual base remuneration payable to each Director is as follows:

| Name | Remuneration (£) (as at 1 April 2017) |
|-----------------|--|
| Robert Jennings | £56,000 £6,000 as a listing fee payable subject to Admission |
| Jan Pethick | £36,500 £7,000 for role as Management and Engagement Committee Chairman £6,000 as a listing fee payable subject to Admission |
| Jonathan Bridel | £36,500 £7,000 for role as Risk Committee Chairman £6,000 as a listing fee payable subject to Admission |
| Sandra Platts | £36,500 £7,000 for role as Audit and Remuneration Committee Chairman £6,000 as a listing fee payable subject to Admission |

- 6.4 Each Director received a listing fee of £7,500 in respect of the IPO, and a listing fee of £5,000 in respect of the 2015 C Share Issue and a listing fee of £5,000 in respect of the 2016 C Share Issue.
- 6.5 In addition to the Directors' base annual fees as set out in paragraph 6.3 above, the Company has agreed to pay the following special remuneration:
- Following the IPO, if the Company issues a new prospectus (not being a supplementary prospectus) in connection with the issue of further new shares in the Company, each Director shall be entitled to a further fee of £5,000 gross or an alternative fee as approved by the Remuneration and Nomination Committees that reflects market rates.
 - If exceptional or unusual situations require (i) any of Jan Pethick, Jonathan Bridel or Sandra Platts to devote more than 18 Business Days per year; or (ii) Robert Jennings to devote more than 20 Business Days per year (in each case calculated on the basis of an eight hour day) to their role, the Company will in good faith negotiate an additional fee or per diem allowance reflecting the additional commitment of time.
- 6.6 None of the Directors is entitled to any pension, retirement or similar benefits.

7. The City Code

The City Code applies to all takeover and merger transactions in relation to the Company and operates principally to ensure that shareholders are treated fairly, are not denied an opportunity to decide on the merits of a takeover and to ensure that shareholders of the same class are afforded equivalent treatment.

The City Code provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers has now been placed on a statutory footing.

The City Code is based upon a number of general principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company, the other holders of securities must be protected. This is reinforced by Rule 9 of the City Code which requires a person, together with persons acting in concert with him, who acquires shares carrying voting rights which amount to 30 per cent. or more of the voting rights to make a general offer. "Voting rights" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting. A general offer will also be required where a person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights, acquires additional shares which increase his percentage of the voting rights. Unless the Panel consents, the offer must be made to all other shareholders, be in cash (or have a cash alternative) and cannot be conditional on anything other than the securing of acceptances which will result in the offeror and persons acting in concert with him holding shares carrying more than 50 per cent. of the voting rights.

Shares may be subject to compulsory acquisition in the event of a takeover offer which satisfies the requirements of Part XVIII of the Guernsey Companies Law or, in the event of a scheme of arrangement, under Part VIII of the Guernsey Companies Law.

Guernsey Companies Law provides that if an offer is made for the shares or any class of shares in the capital of a company and if, within four months after the date of such offer, the offer is approved by shareholders comprising not less than 90 per cent. in value of the shares affected (excluding any shares held as treasury shares or shares otherwise excluded pursuant to Guernsey Companies Law) then the offeror may, within a period of two months immediately after the last day on which the offer can be approved or accepted, send an acquisition notice to any dissenting shareholders informing them that it wishes to acquire their shares (an "**Acquisition Notice**"). Where an Acquisition Notice is given, the offeror is then entitled and bound to acquire those shares on the terms on which the original offer, approved by the shareholders comprising not less than 90 per cent. in value of the shares affected, was made.

A scheme of arrangement is a proposal made to the court by the Company in order to effect an "arrangement" or reconstruction, which may include a corporate takeover in which the Shares are acquired in consideration for cash or shares in another company. A scheme of arrangement is subject to the approval of a majority in number representing at least 75 per cent. (in value) of the members (or any class of them) present and voting in person or by proxy at a meeting convened by the court and subject to the approval of the court. If approved, the scheme of arrangement is binding on all Shareholders.

In addition, the Guernsey Companies Law permits the Company to effect an amalgamation, in which the Company amalgamates with another company to form one combined entity. The Company's Shares would then be shares in the capital of the combined entity.

8. Principal Subsidiaries

The Company holds 100 per cent. of the entire issued share capital of Sequoia IDF Asset Holdings S.A., a société anonyme incorporated on 12 December 2011 under the laws of the Grand Duchy of Luxembourg and having its registered office at 46A Avenue J.F. Kennedy, L-1855, Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies. As an unregulated securitisation entity, the Subsidiary is subject to the Securitisation Act 2004.

9. Material Contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group or which are expected to be entered into prior to Admission and which are, or may be, material to the Group:

9.1 *Issue Agreement*

The Company, the Investment Adviser and Stifel have entered into an Issue Agreement dated 3 May 2017 pursuant to which, subject to certain conditions, Stifel has agreed to use reasonable endeavours to procure subscribers for the Ordinary Shares to be issued pursuant to the Ordinary Share Placing and to use reasonable endeavours to procure subscribers for the Placing Programme Shares to be issued pursuant to the Placing Programme. Neither the Ordinary Share Placing nor the Placing Programme is being underwritten by Stifel.

The Issue Agreement is conditional upon, amongst other things, Admission occurring by 8.30 a.m. on 31 May 2017 (or such later date, not being later than 8.30 a.m. on 31 July 2017, as the Company and Stifel may agree) and the Issue raising the Minimum Net Proceeds.

In consideration for its services under the Issue Agreement, Stifel will receive fees and commissions of: (a) £100,000 plus 0.7 per cent. of the Gross Issue Proceeds where the Gross Issue Proceeds from the Issue are equal to or greater than £50,000,000 but less than £65,000,000; or (b) £100,000 plus 1.00 per cent. of the Gross Issue Proceeds where the Gross Issue Proceeds are equal to or greater than £65,000,000 but less than £75,000,000; (c) 1.2 per cent. where the Gross Issue Proceeds are equal to or greater than £75,000,000 but less than £100,000,000; or (d) 1.3 per cent. where the Gross Issue Proceeds are equal to or greater than £100,000,000. In respect of the Placing Programme, Stifel will receive fees and commission of 1.2 per cent. of the gross proceeds raised (before any deductions or payment of fees or commissions) under any Placing pursuant to the Placing Programme. The fee payable pursuant to the Issue or the Placing Programme is not a blended average but will be based on a single commission rate dependent upon the total amount of gross proceeds raised in each case.

Stifel is entitled under the Issue Agreement to retain agents and may pay commission in respect of the Ordinary Share Placing and/or the Placing Programme to any or all of these agents out of its own resources.

The Company and the Investment Adviser have, in the Issue Agreement, given customary warranties and undertakings to Stifel and the Company has agreed to provide customary indemnities to Stifel.

Under certain circumstances, including for material breach of a warranty, Stifel may terminate the Issue Agreement (and any related arrangements) prior to Admission or any subsequent Placing Programme Admission (but in the latter case, only in respect of any further issue of Placing Programme Shares or any subsequent Placing Programme Admission).

9.2 *2015 Placing and Offer Agreement*

The Company, the Investment Adviser and Stifel entered into a placing and offer agreement (“**2015 Placing and Offer Agreement**”) dated 6 October 2015 pursuant to which, subject to certain conditions, Stifel agreed to use reasonable endeavours to procure subscribers for C Shares to be issued pursuant to a C Share placing as part of the 2015 C Share Issue (“**2015 Placing**”). The 2015 Placing was not underwritten by Stifel.

The 2015 Placing and Offer Agreement was conditional upon, amongst other things, admission of the C Shares to the Main Market (“**2015 Admission**”) occurring by 8.30 a.m. on 2 November 2015 (or such later date, not being later than 8.30 a.m. on 30 November 2015, as the Company and Stifel may agree) and the 2015 C Share Issue raising minimum net proceeds of £75 million.

In consideration for its services under the 2015 Placing and Offer Agreement, Stifel received fees and commissions of (i) two per cent. of the gross proceeds of approximately £147 million; less (ii) certain agreed expenses paid or payable by the Company in connection with the 2015 C Share Issue and 2015 Admission.

The Company, the Directors and the Investment Adviser gave customary warranties and undertakings to Stifel and the Company agreed to provide customary indemnities to Stifel.

9.3 *2016 Placing and Offer Agreement*

The Company, the Investment Adviser and Stifel entered into a placing and offer agreement (“**2016 Placing and Offer Agreement**”) dated 6 May 2016 pursuant to which, subject to certain conditions, Stifel agreed to use reasonable endeavours to procure subscribers for the C Shares to be issued pursuant to the placing of the C Shares at a price of 100 pence per C Share (“**2016 Placing**”). Neither the C Share Placing nor the 2016 Placing Programme was underwritten by Stifel.

The May Placing and Offer Agreement was conditional upon, amongst other things, admission of the C Shares to the Main Market (“**2016 Admission**”) occurring by 8.30 a.m. on 10 June 2016 (or such later date, not being later than 8.30 a.m. on 31 July 2016, as the Company and Stifel may agree) and the 2016 C Share Issue raising minimum net proceeds of £60 million.

In consideration for its services under the 2016 Placing and Offer Agreement, Stifel received fees and commissions of 1.40 per cent. of the gross proceeds of approximately £175 million. In respect of the 2016 Placing Programme, Stifel received fees and commission of 1.25 per cent. of the gross proceeds of approximately £126 million.

The Company and the Investment Adviser gave customary warranties and undertakings to Stifel and the Company agreed to provide customary indemnities to Stifel.

9.4 *The Investment Management Agreement*

The Company and the Investment Manager have entered into the Investment Management Agreement, under which the Investment Manager has been given overall responsibility for the discretionary management of the Company’s assets (including uninvested cash) in accordance with the Investment Policy.

(a) *Powers and duties*

The Investment Manager is responsible for portfolio management of the Company, including the following services: (i) identifying potential Group investments and facilitating the acquisition and sale of investments by the Group; (ii) carrying out due diligence in the selection of the Investments and selecting counterparties, in accordance with the Investment Manager’s due diligence policies and procedures; (iii) ensuring investment decisions are carried out in connection with the Company’s objectives, investment strategy, Investment Criteria, Investment Concentration Limits and other applicable risk limits; (iv) carrying out ongoing monitoring of the Group’s assets under management; (v) carrying out prompt and expeditious execution of orders in accordance with the Investment Manager’s policy for best execution; (vi) exercising all rights and remedies of the Company or the Subsidiary in its capacity as holder of, or the person beneficially entitled to any Investments in the Portfolio, including attending or voting at any meeting of the holders of Investments in the Portfolio and giving consents or waivers in relation to Investments on behalf of the Company or the Subsidiary; (vii) assisting the Board with a hedging strategy to mitigate currency risk in respect of the Portfolio and implementing appropriate hedging transactions in accordance with the hedging strategy; (viii) arranging for any borrowings by the Company (subject to the Company’s Borrowing Limit) and calculating the Company’s exposures and leverage; (ix) submitting marketing notifications to relevant competent regulatory authorities in accordance with Article 42 of the AIFMD; and (x) arranging for uninvested cash balances to be invested in appropriate short-term investments.

The Investment Manager has delegated all of its powers and obligations in relation to the provision of portfolio management services to the Investment Adviser pursuant to the Investment Advisory Agreement.

Under the terms of the Investment Management Agreement, the Investment Manager is required to provide risk management services to the Company, including (i) assisting the Board with the establishment of a risk reporting framework; (ii) monitoring the Company’s compliance with Investment Criteria, Investment Concentration and other risk limits in

accordance with the Investment Manager's risk management policies and procedures and providing regular updates to the Board; (iii) carrying out a risk analysis of the Company's exposures, leverage, counterparty and concentration risk; and (iv) analysing market risk and liquidity risk in relation to the Portfolio.

The Investment Manager will be required to record details of executed Portfolio transactions, carry out reporting obligations to the FCA and other applicable UK AIFMD reporting obligations and prepare investor reports.

In addition, the Investment Manager is required to assist the Board in establishing, maintaining and reviewing valuation policies for calculating NAV.

(b) *Fees*

The Investment Manager is entitled to receive an annual management fee which shall be calculated and accrue monthly at a rate equivalent to: (a) where the Net Asset Value is less than or equal to £200 million, 0.075 per cent. of the Net Asset Value per annum thereafter; plus (b) where the Net Asset Value is more than £200 million but less than or equal to £400 million, 0.05 per cent. of the Net Asset Value per annum over £200 million; plus (c) where the Net Asset Value is more than £400 million but less than or equal to £500 million, 0.04 per cent. of the Net Asset Value per annum over £400 million; and (d) where the Net Asset Value is more than £500 million, 0.015 per cent. of the Net Asset Value per annum over £500 million.

The management fee is capped at £320,000 and may be varied by agreement between the parties, and will be subject to a minimum annual fee of £80,000 applied on a monthly basis. If there is any VAT payable on the fees then this shall be added to the fee amount. The minimum investment management fee will be subject to an annual review on 1 May of each year, the first review having occurred in 2016. The investment management fees are payable monthly in arrears.

(c) *Term and Termination*

The Investment Management Agreement was for an initial term of 18 months from 28 January 2015 and is terminable by either party on not less than six months' notice in writing.

The Investment Management Agreement may be terminated earlier by the Company with immediate effect if (i) an order has been made or an effective resolution passed for the liquidation of the Investment Manager; (ii) the Investment Manager ceases or threatens to cease to carry on its business; (iii) the Investment Manager commits a material breach of the Investment Management Agreement and fails to remedy such breach within 30 days of receiving notice requiring it to do so; (iv) the Investment Manager has committed a breach of its obligation to ensure that its obligations under the Investment Management Agreement are carried out by a team of appropriately qualified, trained and experienced professionals reasonably acceptable to the Board who have experience of managing a portfolio of comparable size, nature and complexity to the Portfolio (which obligation may be satisfied by delegating to a third party such as the Investment Adviser) and such breach is not remedied within 90 days of receipt of notice requiring it to do so; (v) the Investment Manager ceases to hold any required authorisation to carry out its services under the Investment Management Agreement; (vi) the Investment Manager breaches any provision of the Investment Management Agreement and such breach results in listing or trading of the Ordinary Shares in the Official List and on the Main Market being suspended or terminated; (vii) a representation or warranty given by the Investment Manager fails to be correct in any material respect where such failure (a) has a material adverse effect of the Company and (b) is not corrected within 30 days; (viii) an act occurs constituting fraud or criminal activity by the Investment Manager or its affiliates in the performance of its obligations under the Investment Management Agreement or any of its senior officers being indicted for a criminal offence in the performance of his or her investment management duties; (ix) the Investment Manager breaches any

provision of the Investment Management Agreement and such breach results in listing or trading of the Ordinary Shares on the Official List and on the Main Market of the London Stock Exchange being suspended or terminated; or (x) the Company is required to do so by a competent regulatory authority or the Investment Manager ceases to be a person permitted by applicable laws to act as such.

The Investment Management Agreement may be terminated by the Investment Manager with immediate effect if (a) an order has been made or an effective resolution passed for the winding-up of the Company; or (b) a resolution is proposed by the Board or passed by shareholders which would make changes to the Investment Policy such that the Investment Manager in its reasonable opinion can no longer meet the service standard requirements.

In addition, upon the Investment Adviser's appointment under the Investment Advisory Agreement being terminated, the Investment Manager may terminate the Investment Management Agreement, subject to a 60 day "handover period", during which no investments shall be acquired or disposed of by the Investment Manager on behalf of the Company and no other portfolio management shall be undertaken by the Investment Manager save to the extent required by applicable law or regulation.

(d) *Standard of Care*

In managing the Portfolio, the Investment Manager has agreed to act in good faith in the best interests of the Company and its investors, and in a manner consistent with practices and procedures generally followed by prudent institutional asset managers of international standing managing assets of the nature and character of the Portfolio.

(e) *Indemnities*

The Investment Manager has the benefit of an indemnity from the Company in relation to liabilities incurred by the Investment Manager in the discharge of its duties other than those arising by reason of gross negligence, wilful misconduct or fraud of or by the Investment Manager.

(f) *Delegation*

The Investment Manager has delegated its portfolio management responsibilities under the Investment Management Agreement to the Investment Adviser pursuant to the Investment Advisory Agreement. Delegation of these responsibilities does not relieve the Investment Manager of any of its duties or liabilities under the Investment Management Agreement.

(g) *Conflicts of interest*

Whenever conflicts of interest arise in relation to the activities of the Investment Manager, including with regard to the allocation of investment opportunities to different clients, the Investment Manager will endeavour to ensure that such conflicts are identified, managed, resolved and any relevant investment opportunities allocated, fairly, in accordance with the Investment Manager's conflict of interest policy.

(h) *Governing Law*

The Investment Management Agreement is governed by English law.

9.5 *The Investment Advisory Agreement*

The Investment Manager, the Company, the Subsidiary and the Investment Adviser have entered into the Investment Advisory Agreement, under which the Investment Manager delegated its portfolio management duties under the Investment Management Agreement to the Investment Adviser, subject to the terms and conditions set out in the Investment Advisory Agreement.

(a) *Delegation of portfolio management to the Investment Adviser*

The Investment Adviser is also required to provide the Investment Manager with monthly reports in respect of the Portfolio and its management, including reports on (i) executed Portfolio transactions; (ii) the current composition of the Portfolio and compliance with risk limits; (iii) hedging transactions and counterparties; (iv) drawings and redemptions under the note issuance facility between the Company and the Subsidiary; (v) borrowings by the Company; and (vi) investment of cash balances.

In addition, the Investment Adviser shall advise the Investment Manager in relation to valuation policies for calculating NAV and on the appropriateness of any hedging strategy proposed by advisers to the Company or the Investment Manager and shall assist where required in providing input for investor reports.

The Investment Manager shall have the right to instruct the Investment Adviser how to implement the Investment Policy and to monitor how the Investment Adviser complies with it on an ongoing basis as described above.

(b) *Fees*

Under the Investment Advisory Agreement, the Investment Adviser is entitled to receive from the Company a fee of (a) 0.5 per cent. per annum of the value of listed bonds owned by the Group; plus (b) other than bonds and cash holdings, in relation to which no fees are payable to the Investment Adviser, where Group NAV (excluding cash) is (i) less than £250 million, 0.9 per cent. per annum of the value of the Group's other investments; (ii) between £250 million and £500 million, as in (b)(i) plus 0.8 per cent. on the total value of assets not included in (b)(i); (iii) between £500 million and £750 million, as in (b)(ii) plus 0.7 per cent. on the total value of assets not included in (b)(ii); and (iv) in excess of £750 million, as in (b)(iii) plus 0.6 per cent. on the total value of assets not included in (b)(iii), in each case, payable quarterly.

One quarter of the Investment Adviser's fee will be applied in subscribing for Ordinary Shares. Effective from Admission, one quarter of the Investment Adviser's fee relating to the Ordinary Shares will be applied in subscribing for further Ordinary Shares, with the cost of issuing such Ordinary Shares to be borne by the Ordinary Shareholders. All such Ordinary Shares subscribed by the Investment Adviser will be subject to a three-year rolling lock-up (such that those Ordinary Shares may not be sold or otherwise disposed of by the Investment Adviser without the prior consent of the Company before the third anniversary of the date of issue of the relevant Ordinary Shares). If the Company raises further capital or otherwise grows its Net Asset Value, the Investment Adviser will be entitled to a reduced percentage fee, as summarised in the table set out in paragraph 20.3 in Part 2 of this Prospectus.

(c) *Term and termination*

The Investment Adviser's appointment is for an initial term equal to the initial term of the Investment Manager's appointment. Thereafter the Investment Adviser's appointment will be automatically terminated upon the termination of the Investment Manager's appointment under the Investment Management Agreement, such termination to take effect at the end of the Investment Manager's appointment under the Investment Management Agreement.

The Investment Advisory Agreement may only be terminated earlier by the Investment Manager with immediate effect, if (i) an order has been made or an effective resolution passed for the liquidation of the Investment Adviser; (ii) the Investment Adviser ceases or threatens to cease to carry on its business; (iii) the Investment Adviser commits a material breach of the Investment Advisory Agreement and fails to remedy such breach within 21 days of receiving written notice requiring it to do so; (iv) the Investment Adviser has committed a breach of its obligation to ensure that its obligations under the Investment Advisory Agreement are carried out by a team of appropriately qualified, trained and experienced professionals reasonably acceptable to the Investment Manager who have experience of managing a portfolio of

comparable size, nature and complexity to the Portfolio and such breach is not remedied within 21 days of receipt of notice requiring it to do so; (v) the Investment Adviser breaches any provision of the Investment Advisory Agreement and such breach results in listing or trading of the C Shares on the Official List and on the Main Market of the London Stock Exchange being suspended or terminated and such suspension or termination is not remedied within 21 days; (vi) the Investment Adviser ceases to hold any required authorisation to carry out its services under the Investment Advisory Agreement; (vii) the Investment Manager is required to do so by a competent regulatory authority; or (viii) the Investment Manager reasonably determines that such termination is in the best interests of investors in the Company.

The Investment Advisory Agreement may be terminated by the Investment Adviser (i) at any time by not less than 90 days prior written notice to the Investment Manager; or (ii) with immediate effect if (a) an order has been made or an effective resolution passed for the winding-up of the Investment Manager; or (b) a resolution is proposed by the Board or passed by shareholders which would make changes to the Investment Policy such that the Investment Adviser in its reasonable opinion can no longer meet the service standard requirements.

(d) *Fees and expenses on termination*

If the appointment of the Investment Adviser is terminated without cause (including where the Investment Manager's appointment is terminated by the Investment Manager as described under paragraph (viii) above under "Term and Termination" or if the Investment Manager's appointment is terminated under the Investment Management Agreement and the Investment Adviser is not retained by the Company to provide portfolio management services on equivalent terms to those set out in the Investment Advisory Agreement), the Company will be required to pay to the Investment Adviser a termination fee in an amount equal to (a) 0.5 per cent. per annum of the value of listed bonds owned by the Group; plus (b) 0.9 per cent. of the value of the Group's other investments (other than cash holdings), as such percentage fee may be reduced in accordance with the table set out in paragraph 20.3 of Part 2 of this document.

(e) *Standard of Care*

In managing the Portfolio, the Investment Adviser has agreed to act in the best interests of the Company and its investors, and in a manner consistent with practices and procedures generally followed by institutional asset managers of international standing managing assets of the nature and character of the Portfolio.

(f) *Indemnities*

The Investment Adviser has the benefit of an indemnity from the Company in relation to liabilities incurred by the Investment Adviser in the discharge of its duties other than those arising by reason of gross negligence, wilful misconduct, fraud or breach of agreement of or by the Investment Adviser or any party to whom it has delegated any of its functions under the Investment Advisory Agreement.

(g) *Sub-delegation*

Sub-delegation may only take place with the prior written consent of the Investment Manager. Sub-delegation will not relieve the Investment Adviser of any of its duties or liabilities under the Investment Advisory Agreement.

(h) *Conflicts of Interest*

The Investment Adviser is required to implement a conflicts of interest policy to address potential conflicts of interest.

(i) *Governing Law*

The Investment Advisory Agreement is governed by English law.

9.6 **Broking Agreement**

Stifel has been appointed as retained broker to the Company pursuant to the terms of an engagement letter dated 2 March 2015, as amended by a side letter dated 15 April 2015.

The services under the engagement include (i) providing share price, market information and analysis on the Company and its market peer group; and (ii) assisting the Company in marketing of the Company's Shares. Under the terms of the engagement, Stifel will receive an annual fee ranging from £30,000 to £75,000. The Company and Stifel have agreed that, where Stifel acts as sole bookrunner to the Company, the annual fee will be reimbursed on a pound for pound basis by any commission paid by the Company in connection with an equity capital raise above £20 million (save that any reimbursement will be capped at the total annual fee amount).

Pursuant to the agreement, the Company provided customary indemnities to Stifel.

9.7 **The Administration Agreement**

The Administrator has been appointed, pursuant to the Administration Agreement between the Company and the Administrator, to provide ongoing accounting, company secretarial, compliance and administration services to the Group.

Under the terms of the Administration Agreement, the Administrator will receive a sliding annual fee which is charged: (a) where the Net Asset Value is less than or equal to £300 million, 0.07 per cent. of the Net Asset Value per annum thereafter; plus (b) where the Net Asset Value is more than £300 million but less than or equal to £400 million, 0.05 per cent. of the Net Asset Value per annum over £300 million; and (c) where the Net Asset Value is more than £400 million, 0.04 per cent. of the Net Asset Value per annum over £400 million. The administration fee is capped at £300,000 per annum, may be varied by agreement between the parties and will be subject to a minimum annual fee of £65,000 and a fee for company secretarial services based on time costs.

The Administration Agreement contains provisions whereby the Company indemnifies and holds harmless the Administrator from and against any and all "Claims" (as defined in the Administration Agreement) against the Administrator resulting or arising from the Company's breach of the Administration Agreement and, in addition, any third party Claims relating to or arising from or in connection with the Administration Agreement or the services contemplated therein except to the extent that any such Claims have resulted from the negligence, fraud or wilful default of the Administrator. Further, the liability of the Administrator to the Company under the Administration Agreement is limited (in the absence of fraud) to an amount equal to one times the annual fee paid to the Administrator thereunder.

The Administration Agreement is terminable, *inter alia*, (a) upon 90 days' written notice; or (b) immediately upon the occurrence of certain events including the insolvency of the Company or the Administrator, the Administrator becoming resident in the UK for tax purposes or a party committing a material breach of the Administration Agreement (where such breach has not been remedied within 30 days of written notice being given).

9.8 **The Share Registration Services Agreement**

The Registrar (a company incorporated in Guernsey with registered number 50855) has been appointed pursuant to the Share Registration Services Agreement to provide certain share registration and online services to the Company and maintaining the necessary books and records (such as the Company's register of Shareholders), which can be found at the Company's registered office. The Share Registration Services Agreement provides for the payment by the Company of the fees and charges of the Registrar.

Under the Share Registration Services Agreement, the Registrar is entitled to receive a minimum agreed fee of £6,000 per annum in respect of basic registration, together with any additional registrar activity not included in such basic registration services.

The Share Registration Services Agreement contains provisions whereby the Company indemnifies the Registrar, its affiliates and their directors, officers, employees and agents from and against any and

all losses, damages, liabilities, professional fees (including but not limited to legal fees), court costs and expenses resulting or arising from the Company's breach of the Share Registration Services Agreement. In addition, any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the Share Registration Services Agreement or the services contemplated therein are included, except to the extent such losses as set out in this paragraph are determined to have resulted solely from the negligence, fraud or wilful default of the indemnified party seeking the indemnity.

The Share Registration Services Agreement is terminable, *inter alia*, (a) upon three months' written notice in the event of a disagreement over fees; (b) upon service of written notice if the other party commits a material breach of its obligations under the Share Registration Services Agreement which that party has failed to remedy within 21 days of receipt of a written notice to do so from the first party; or (c) upon service of written notice if a resolution is passed or an order made for the winding up, dissolution or administration of the other party.

9.9 ***The Receiving Agent Agreement***

The Receiving Agent (a company incorporated under the laws of England and Wales with registered number 03498808) has been appointed pursuant to the Receiving Agent Agreement to provide certain share registration and online services to the Company.

The Receiving Agent Agreement provides for the payment by the Company of the fees and charges of the Receiving Agent.

Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to fees including, in connection for the Offer for Subscription: (a) a set up management fee of £6,000; (b) processing fees per item processed per application form; and (c) various other fees in relation to certain matters. The fees for the Issue will be capped at £20,000.

The Receiving Agent Agreement contains provisions whereby the Company indemnifies the Receiving Agent, its affiliates and their directors, officers, employees and agents from and against any and all losses, damages, liabilities, professional fees (including but not limited to legal fees), court costs and expenses resulting or arising from the Company's breach of the Receiving Agent Agreement. In addition, the Company indemnifies the Receiving Agent against any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the Receiving Agent Agreement or the services contemplated therein are included, except to the extent such losses as set out in this paragraph are determined to have resulted solely from the negligence, fraud or wilful default of the indemnified party seeking the indemnity.

9.10 ***The Valuation Agent Engagement Letter***

The Valuation Agent has been appointed by the Company pursuant to the Valuation Agent Engagement Letter. The Valuation Agent is responsible for the following:

- (a) providing a monthly valuation report to the Company updating the monthly valuation of each class fund's portfolio of Investments; and
- (b) valuing assets acquired as at acquisition.

The Valuation Agent will be paid fees as follows (i) an initial one-time set up cost of £75,000 in relation to the private in-scope instruments and associated valuation analysis; (ii) monthly fees as follows: (a) a one-off fee of £10,000 per valuation analysis of each new private in-scope instrument as and when purchased; and (b) for each private in-scope instrument a monthly fee of £1,100 will be charged. The annual fee, based on 17 in scope assets is expected to be £224,400 for independent valuation services.

The Valuation Agent Engagement Letter is terminable by 30 days' notice in writing given by either party.

9.11 *The Mazars Valuation Engagement Letter*

The Mazars Valuation Agent was appointed by the Subsidiary pursuant to the Mazars Valuation Engagement Letter. The Mazars Valuation Agent is responsible for the following:

- (a) providing a monthly valuation report to the Subsidiary updating the monthly valuation of each class fund's portfolio of Investments; and
- (b) valuing assets acquired as at acquisition.

The Mazars Valuation Agent is paid a fee of approximately £165,000 where there are £400 million of assets under management.

The Mazars Valuation Engagement Letter is terminable by 21 days' notice in writing given by either party. The Mazars Valuation Agent has been the Company's valuation agent since IPO. The Company is in the process of changing the valuation agent and the Valuation Agent will replace the Mazars Valuation Agent effective 1 May 2017.

9.12 *Subsidiary Portfolio Administration and Agency Agreement*

The Subsidiary has appointed the Portfolio Administrator as portfolio administrator, the Custodian as custodian and the Account Bank as account bank, pursuant to a portfolio administration and agency agreement to provide certain portfolio administration and custodian services to the Group in relation to all assets forming part of the Portfolio and acceptable to the Custodian, and in each case any sums received in respect thereof which are held from time to time by the Custodian.

The duties of the Portfolio Administrator include (i) preparing and compiling daily reports on all assets comprising the Portfolio and delivering such reports to the Subsidiary and the Investment Adviser; (ii) preparing and compiling investment reports on a monthly basis as of the last Business Day of each calendar month, and delivering such reports to the Subsidiary and the Investment Adviser; (iii) maintaining records of the Portfolio and the obligors thereof based on information received from agent banks and the Investment Adviser; (iv) performing a comparison of the records of the Portfolio held by it with information received from agent banks; and (v) manage the receipt of periodic payments on the Portfolio into certain account(s).

The Custodian, Account Bank and Portfolio Administrator will receive ad valorem fees of (i) 2.50 bps per sub fund per annum where there are portfolio assets of £0 to £300 million; (ii) 2.00 bps per sub fund per annum where there are portfolio assets of £300 million to £600 million; (iii) 1.75 bps per sub fund per annum where there are portfolio assets of £600 million to £900 million; and (iv) 1.50 bps per sub fund per annum where there are portfolio assets over £900 million. The annual fee, based on a £800 million aggregated par value of assets is expected to be approximately £170,000 for services provided relating to portfolio administration and cash management. This fee will be calculated and billed quarterly in arrears on the aggregated par value of assets under administration and is subject to a minimum of GBP 30,000 per annum.

The duties of the Custodian include (i) administration of the custody account including settlement of purchases and sales of custodial assets and process other transactions; and (ii) taking actions necessary to settle transactions in connection with futures or options contracts, short-selling programs, foreign exchange or foreign exchange contracts, swaps and other derivative investments.

The duties of the Account Bank include (i) holding such moneys as may be deposited from time to time with the account bank in certain accounts; (ii) applying such moneys as it may from time to time be directed in writing by the Subsidiary or by the Investment Adviser on behalf of the Subsidiary; and (iii) accepting receipt of all income and other payments made to it with respect to the Portfolio.

The Portfolio Administration and Agency Agreement is terminable on (i) 60 days notice by either party; or (ii) immediately upon the occurrence of certain events including the insolvency of any party. Any of the Custodian, the Account Bank and the Portfolio Administrator is also able to, without giving any reason, resign its appointment at any time by giving the Subsidiary at least 45 days' written

notice to that effect, and would incur no responsibility for loss or liability by reason of such resignation.

The Portfolio Administration and Agency Agreement includes a provision whereby the company agrees to indemnify and hold harmless the Custodian, the Account Bank and the Portfolio Administrator against all liabilities, losses, actions, proceedings, claims, costs, demands and expenses (including legal and professional expenses).

9.13 ***Depository Agreement***

The Company, the Investment Manager and the Depository have entered into a Depository Agreement, pursuant to which the Depository has agreed to provide certain depository services including oversight, dealings with securities and cashflow monitoring in accordance with the Articles.

Powers and duties

Upon receipt of proper instructions from the Company or Investment Manager and in accordance with AIFMD requirements, the Depository is responsible for

- monitoring of the cash flow of the Company;
- safe/record keeping of the Company's assets;
- ownership verification for other assets of the Company; and
- oversight duties regarding fulfilment of regulatory and contractual requirements, control of valuation of shares/units of the Company, control of subscriptions and redemptions.

Fees

In consideration for the provision of certain depository services (being services which are subject to the lighter depository requirements under Article 36 of the AIFMD), the Depository will receive as follows: (i) *ad valorem* fees of: (a) 3.00 bps per sub fund per annum where there are portfolio assets of €0 up to €300 million; (b) 2.00 bps per sub fund per annum where there are portfolio assets of €300 million to €600 million; (c) 1.75 bps per sub fund per annum where there are portfolio assets of €600 million to €900 million; and (d) 1.50 bps per sub fund per annum where there are portfolio assets over €900 million (in each case subject to a minimum fee of €52,000 to be calculated and invoiced quarterly); (ii) legal fees of €13,000; and (iii) a set up fee of €13,000. The annual fee, based on portfolio assets of £800 million is expected to be approximately £174,000 for services relating to depository services.

Term and Termination

The agreement has effect from the date of the agreement and continues unless terminated on at least 90 days' notice in writing or on the occurrence of certain other terminable events.

Delegation

The Depository has the full power and authority to delegate whole or part of its functions. The liability of the Depository is not affected by such delegation.

Governing Law

The Depository Agreement is governed by German law.

9.14 ***Loan Agreement***

On 17 October 2016, the Company (as borrower) and JP Morgan Chase Bank, N.A., London Branch ("JP Morgan") (as lender) entered into a loan facility agreement (the "**Loan Agreement**"), pursuant to which JP Morgan agreed to make available to the Company a £40,000,000 term loan facility for a term of 18 months.

The proceeds of the loan are to be used in or towards the making of Investments in accordance with the Company's investment policy.

Interest on the loan is charged at a rate of Libor plus 2.5 per cent. per annum. There are no upfront fees or commitment fees payable on the loan, however a fee is payable upon early prepayment.

The loan imposes an asset coverage test on the Company and is secured by, *inter alia*, a charge over the bank accounts of the Company, a charge over the shares in the Subsidiary held by the Company and a charge on the assets of the Subsidiary.

The Loan Agreement is governed by English law.

10. Auditors

KPMG Channel Islands Limited has been the only auditor of the Company since its incorporation. KPMG Channel Islands Limited is a member of the Institute of Chartered Accountants of England & Wales.

11. Rights of Shareholders

Absent a direct contractual relationship between a Shareholder and any service provide to the Company, Shareholders will have no direct rights against the service providers described above.

12. Working Capital

The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is, for at least the next 12 months following the date of this document.

13. Capitalisation and indebtedness

13.1 The following table shows the Company's capitalisation as at 30 September 2016 and gross indebtedness as at 11 April 2017:

| | |
|---|------------------------------------|
| Total current debt | As at 11 April 2017 (£) |
| Guaranteed | Nil |
| Secured | Nil |
| Unguaranteed/unsecured | Nil |
| Total non-current debt (excluding current portion of long-term debt) (£) | As at 11 April 2017 (£) |
| Guaranteed | Nil |
| Secured | 40,000,000 |
| Unguaranteed/unsecured | Nil |
| Shareholders' equity (£) | As at 30 September 2016 (£) |
| Ordinary Share capital | 463,623,552 |
| Legal reserve | Nil |
| Other reserves | Nil |

Since 30 September 2016 the Company's share capital has increased and as at 2 May 2017 (being the latest practicable date prior the publication of this Prospectus) the share capital of the Company was made up of 595,860,693 Ordinary Shares. On 1 November 2016, the conversion of the C Shares resulted in the admission of 172,404,119 new Ordinary Shares to trading. On 9 December 2016, pursuant to the 2016 Placing Programme, 120,000,000 new Ordinary Shares were admitted to trading.

Since 30 September 2016 the Company has issued 644,988 new Ordinary Shares pursuant to the Investment Adviser Agreement.

The following table shows the Company's net indebtedness as at 11 April 2017:

| Net Indebtedness | As at 11 April 2017 (£) |
|--|--------------------------------|
| A. Cash | 47,192,127 |
| B. Cash equivalent | Nil |
| C. Trading securities | Nil |
| D. Liquidity (A) + (B)+(C) | 47,192,127 |
| E. Current Financial Receivable | Nil |
| F. Current bank debt | Nil |
| G. Current portion of non-current debt | Nil |
| H. Other current financial debt | Nil |
| I. Current Financial Debt (F)+(G)+(H) | Nil |
| J. Net Current Financial Indebtedness (I)-(E)-(D) | (47,192,127) |
| K. Non-current bank loans | 40,000,000 |
| L. Bonds issued | Nil |
| M. Other non-current loans | Nil |
| N. Non-current Financial Indebtedness (K)+(L)+(M) | 40,000,000 |
| O. Net Financial Indebtedness (J)+(N) | (7,192,127) |

14. Property, Plant and Equipment

The Group has no existing or planned material tangible fixed assets.

15. Litigation

There are no governmental, legal or arbitrational proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during the 12 month period prior to the date of publication of this document which may have, or have had in the recent past, a significant effect on the Group's financial position or profitability.

16. Related Party Transactions

Save for the agreements described in paragraph 9 of this Part 12, there are no related party transactions that the Group has entered into from its incorporation to the date of this document.

17. Investment restrictions

The Company is required to manage and invest its assets in accordance with its Investment Policy. Further investment restrictions are set out in paragraphs 10 and 11 of Part 2 of this Prospectus. The Company is not subject to any other investment restrictions.

18. Third party information

18.1 Where third party information has been referenced in this document, the source of that third party information has been disclosed. The Company and Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

18.2 Both Moody's Investor Services and Standard & Poor's are registered in accordance with Regulation (EC) 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

19. No significant change

Save in respect of:

- (a) the issue of Ordinary Shares upon the conversion of the C Shares issued under the 2016 C Share Issues described in paragraph 13.1 of this Part 12;

- (b) the issue of Ordinary Shares under the 2016 Placing Programme as described in paragraph 13.1 of this Part 12;
- (c) the resulting increase in trading activity following the 2016 C Share Issue and 2016 Placing Programme; and
- (d) dividends declared by the Board subsequent to 30 September 2016, as described in paragraph 9 of Part 2,

there has been no significant change in the financial or trading position of the Group since 30 September 2016, being the end of the period covered by the historical financial information.

20. Documents Available For Inspection

Copies of the following documents will be available for inspection during normal business hours on any day (except Saturdays, Sundays, bank and public holidays) free of charge to the public at the offices of the Company and at the offices of Praxis Fund Services Limited from the date of this document until the first anniversary of Admission:

- (a) Memorandum and the Articles; and
- (b) the material contracts summarised in paragraph 9 of Part 12 of this Prospectus; and
- (c) the documents incorporated by reference set out in Part 14 of this Prospectus.

PART 13

FINANCIAL INFORMATION ON THE COMPANY

Audited financial information relating to the Company for the period from 30 December 2014 (being the date of incorporation of the Company to 31 March 2016 is incorporated into this document by reference to the 2016 Audited Accounts, as set out in Part 14 of this Prospectus.

Unaudited financial information for the six month period from 1 April 2016 to 30 September 2016 is incorporated into this document by reference to the 2016 Interim Report, as set out in Part 14 of this Prospectus.

Under 20.6.2 of Annex I of the Prospectus Rules, the Company is required to include comparative statements when interim financial information is published in a prospectus. Accordingly, comparative unaudited financial information relating to the nine month period from the Company's incorporation on 30 December 2014 to 30 September 2015 (as included in the Company's interim report to 30 September 2016) has also been incorporated into this document by reference.

While the Company was incorporated on 30 December 2014, it was only admitted to trading on the Main Market on 3 March 2015. The comparative unaudited financial information during the nine month period from incorporation to 30 September 2015 therefore covers a post-IPO trading period of six months and 21 business days.

PART 14

DOCUMENTATION INCORPORATED BY REFERENCE

The following information, available free of charge in electronic format on the Group's website at www.seqifund.com or in printed format from the Company's registered address at Praxis Fund Services Limited, Sarnia House, Le Truchot, St Peter Port, GY1 1GR, Guernsey is incorporated by reference in the document.

| Reference Document | Information incorporated by reference | Page number in reference document |
|---|--|--|
| 2016 Annual Report and Audited Financial Statements | Chairman's Statement | 3 – 4 |
| | Investment Adviser's Report | 5 – 8 |
| | Directors' Report | 11 – 14 |
| | Directors' Remuneration Report | 20 |
| | Report of the Audit Committee | 21 – 23 |
| | Independent Auditor's report | 24 – 26 |
| | Statement of Comprehensive Income | 27 |
| | Statement of Changes in Shareholders' Equity | 28 |
| | Statement of Financial Position | 29 |
| | Statement of Cash Flows | 30 |
| | Notes to the Financial Statements | 31 – 52 |
| 2016 Interim Report and Unaudited Consolidated Financial Statements | Chairman's Statement | 3 – 4 |
| | Investment Adviser's Report | 5 – 7 |
| | Statement of Directors' Responsibilities | 9 |
| | Independent Auditor's Review Report | 11 |
| | Unaudited Condensed Interim Statement of Comprehensive Income | 12 |
| | Unaudited Condensed Interim Statement of Changes in Shareholders' Equity | 13 |
| | Unaudited Condensed Interim Statement of Financial Position | 14 |
| | Unaudited Condensed Interim Statement of Cash Flows | 15 |
| | Notes to the financial statements | 16 – 27 |

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this document. Where parts of these documents are not incorporated by reference, these parts are either not relevant for an investor or are covered elsewhere in the Prospectus.

Investors should note that statements regarding current circumstances and forward-looking statements made in the documents referred to above speak as at the date of the relevant document and therefore such statements do not necessarily remain up-to-date as at the date of this Prospectus.

PART 15

THE PLACING PROGRAMME

1. Definitions

1.1 For the purposes of Parts 15 and 16, the following definitions shall apply:

| | |
|---------------------------|--|
| “EEA States” | the states which comprise the EEA |
| “Investor” | has the meaning given in paragraph 1.2 of Part 16 |
| “Placing” | the issue of Ordinary Shares pursuant to the Placing Programme, as described in this Part 15 of this document |
| “Placing Programme Price” | the price at which any Placing Programme Shares will be issued or sold to placees under the Placing Programme, calculated by reference to the prevailing Net Asset Value per Ordinary Share together with a premium intended to cover the costs and expenses of that Placing (including, without limitation, any placing commissions) and the initial investment of the amounts raised pursuant to the Placing Programme |
| “Rule 144A” | Rule 144A of the U.S. Securities Act |

2. Introduction

2.1 On 19 May 2017, Shareholders will be asked to approve resolutions to enable the Company to issue up to 200 million Ordinary Shares (representing approximately 33.6 per cent. of the issued share capital of the Company as at 2 May 2017, being the latest practicable date prior to publication of this document) on a non pre-emptive basis pursuant to the Placing Programme.

2.2 The Directors believe that instituting the Placing Programme will:

- (a) enable the Company to grow further, thereby achieving to an additional extent the benefits of scale listed in paragraph 6 of Part 2 as benefits of the Issue;
- (b) partially satisfy market demand for Ordinary Shares from time to time and improve liquidity in the market for Ordinary Shares; and
- (c) enable the Company to raise additional capital quickly, in order to take advantage of investment opportunities that have been, and/or may in the future be identified.

2.3 The maximum number of Placing Programme Shares available under the Placing Programme should not be taken as an indication of the number of Placing Programme Shares which will be issued. The allotment and issue of Placing Programme Shares under the Placing Programme is at the discretion of the Directors. Allotments and issuances may take place at any time prior to the final closing date of 2 May 2018.

2.4 The Placing Programme is not being underwritten.

3. Investor Profile

Typical investors in the Company pursuant to the Placing Programme are expected to be institutional and sophisticated investors and private clients through their wealth managers.

4. Details of the Placing Programme

- 4.1 The Placing Programme will open on 3 May 2017 and close on 2 May 2018 (or any earlier date on which it is fully subscribed). Notwithstanding that, it is the Directors' intention that no Placing Programme Shares will be issued prior to 85 per cent. of the proceeds of the Issue being invested or committed.
- 4.2 Subject to the requirements of the Listing Rules, the Placing Programme Price at which Placing Programme Shares will be issued will be calculated by reference to the unaudited estimated prevailing Net Asset Value of the existing Ordinary Shares (cum-income) together with a premium intended to at least cover the costs and expenses of the relevant placing under the Placing Programme (including, without limitation, any placing commissions). The minimum Placing Programme Price in respect of an allotment of Placing Programme Shares will not be less than the aggregate of the unaudited Net Asset Value per Ordinary Share (cum-income) and a premium to cover such costs and expenses. Fractions of shares will not be issued.
- 4.3 Where Placing Programme Shares are issued, the total assets of the Company will increase by that number of Placing Programme Shares multiplied by the relevant price, less brokers' commission and expenses. It is not expected that there will be any material impact on the earnings and Net Asset Value per Ordinary Share, as the net proceeds of the Placing Programme, after providing for the Company's operational expenses, will be used to purchase investments sourced by the Investment Adviser in line with the Company's investment policy (details of which are set out in Part 1 of this document).
- 4.4 If 151,658,768 Ordinary Shares are issued under the Issue and 200 million Placing Programme Shares (being the maximum number of Placing Programme Shares available under the Placing Programme) are issued pursuant to the Placing Programme and a Shareholder does not participate in the initial Issue or the Placing Programme, there would be a dilution of approximately 37.11 per cent. in existing Shareholders' voting control of the Company.
- 4.5 The allotment of Placing Programme Shares is at the discretion of the Directors and may take place at any time prior to the final closing date of 2 May 2018. An announcement of each issue of Placing Programme Shares pursuant to the Placing Programme will be released through a Regulatory Information Service, including details of the number of Placing Programme Shares issued and the applicable Placing Programme Price.
- 4.6 The Placing Programme Shares will rank *pari passu* with the Ordinary Shares then in issue and will have the rights set out in the Company's Articles which are summarised in paragraph 3 of Part 12 of this document (save for any dividends or distributions which are declared, made or paid by reference to a record date prior to the issue of the Placing Programme Shares).
- 4.7 Ordinary Shares issued pursuant to the Placing Programme may be admitted to the Official List and to trading on the Main Market of the London Stock Exchange from 3 May 2017 to 2 May 2018.
- 4.8 The ISIN number of the Placing Programme Shares is GG00BV54HY67 and the SEDOL is BV54HY6.
- 4.9 The Company does not guarantee that at any particular time market-makers will be willing to make a market in the Ordinary Shares, nor does it guarantee the price at which a market will be made in the Ordinary Shares. Accordingly, the dealing price of the Ordinary Shares may not necessarily reflect changes in the NAV per Ordinary Share.

5. Conditions

The terms and conditions which shall apply to any subscription for Ordinary Shares pursuant to the Placing Programme are set out in Part 16 of this document.

6. Settlement

- 6.1 Applications will be made for all of the Placing Programme Shares issued pursuant to the Placing Programme to be admitted to the Premium Listing segment of the Official List and for all such Placing

Programme Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities. All allotments of Placing Programme Shares will be conditional on Placing Programme Admission occurring in relation to the relevant Placing Programme Shares. The timing of the applications for any Placing Programme Admission and their approval are not known at the date of this document but no Placing Programme Shares will be issued if they will not be so admitted. No application is expected to be made for the Placing Programme Shares to be listed or dealt in on any stock exchange or investment exchange other than the London Stock Exchange.

7. Certificates and Crest

- 7.1 Placing Programme Shares issued pursuant to the Placing Programme will be issued in registered form and transferred to successful applicants through the CREST system. CREST is a voluntary system and holders of Placing Programme Shares who wish to receive and retain share certificates will be able to do so.
- 7.2 Dealings in the Placing Programme Shares in advance of the crediting of the relevant CREST account or the issue of share certificates will be at the risk of the persons concerned.

8. Money Laundering

- 8.1 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, the Administrator, the Investment Manager and Stifel may require evidence of identity in connection with any application for Placing Programme Shares, including further identification of the applicant(s), before any Placing Programme Shares are issued.
- 8.2 The Company and its agents, the Administrator, the Investment Manager, the Investment Adviser and Stifel reserve the right to request such information as is necessary to verify the identity of the prospective Ordinary Shareholder and (if any) the underlying prospective beneficial owner of the Ordinary Shares. In the event of delay or failure by the prospective Ordinary Shareholder to produce any information required for verification purposes, the Directors, in consultation with Stifel and the Investment Manager, may refuse to accept any subscription for Placing Programme Shares.

9. The Issue Agreement

Details of the terms of the Issue Agreement are set out in paragraph 9.1 of Part 12 of this document.

10. Scaling Back and Allocation

- 10.1 In the event that applications for Placing Programme Shares to be issued pursuant to any Placing carried out pursuant to the Placing Programme were to exceed a level that the Directors determine, in their absolute discretion at the time of closing that Placing, to be the appropriate maximum size of that issue of Placing Programme Shares and, in any event, if applications under the Placing Programme were to exceed the maximum number of Placing Programme Shares available under the Placing Programme or were in excess of the target amount of that Placing, it would be necessary to scale back applications under the relevant Placing. Stifel reserve the right, after consultation with the Company, to scale back applications in such amounts as it considers appropriate. The Company reserves the right to decline in whole or in part any application for Placing Programme Shares pursuant to the Placing Programme.
- 10.2 The Company will notify investors of the number of Placing Programme Shares in respect of which their application has been successful, and the results of the each Placing carried out pursuant to the Placing Programme (including the number of Placing Programme Shares issued and the Placing Programme Price) will be announced by the Company by way of an announcement through a Regulatory Information Service, as soon as possible following the closing of each Placing.
- 10.3 Monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant to the applicant from whom the money was received.

PART 16

TERMS AND CONDITIONS OF THE PLACING PROGRAMME

1. The terms and conditions

- 1.1 These terms and conditions apply to persons making an offer to subscribe for Placing Programme Shares under the Placing Programme (which may include Stifel or its nominees).
- 1.2 Each person to whom these conditions apply, as described above, who confirms its agreement to Stifel to subscribe for Placing Programme Shares (an “Investor”) hereby agrees with Stifel and the Company to be bound by these terms and conditions as being the terms and conditions upon which Placing Programme Shares will be subscribed under the Placing Programme. An Investor shall, without limitation, become so bound if Stifel confirms to the Investor its allocation.

2. Agreement to purchase Placing Programme Shares

Conditional on (i) Placing Programme Admission occurring on or prior to 8.30 a.m. (London Time) on such dates as may be agreed between Stifel and the Company prior to the closing of each Placing (not being later than 2 May 2018); and (ii) the Issue Agreement becoming unconditional in respect of the Placing (save for conditions relating to the relevant Placing Programme Admission) and not having been terminated in accordance with its terms before the relevant Placing Programme Admission, an Investor agrees to subscribe for, as more particularly described below, at the Placing Programme Price, the number of Placing Programme Shares allocated to such Investor in accordance with the arrangements described in these terms and conditions. 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 such Investor may have.

3. Payment for Placing Programme Shares

- 3.1 Each Investor undertakes to pay the Placing Programme Price for the Placing Programme Shares issued to such Investor in such manner as shall be directed by Stifel.
- 3.2 In the event of any failure by any Investor to pay as so directed by Stifel, the relevant Investor shall be deemed hereby to have appointed Stifel or any nominee of Stifel as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the Placing Programme Shares in respect of which payment shall not have been made as directed by Stifel and to indemnify Stifel and its respective affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales. A sale of all or any of such Placing Programme Shares shall not release the relevant Investor from the obligation to make such payment for Placing Programme Shares to the extent that Stifel or its nominee have failed to sell such Placing Programme Shares at a consideration which, after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, exceeds the Placing Programme Price per Placing Programme Share.

4. Representations and warranties

- 4.1 By receiving this Prospectus and making the confirmation in paragraph 1.2 of this Part 16 each Investor who confirms its agreement to subscribe for Placing Programme Shares confirms, represents, warrants and undertakes to Stifel and the Company on the terms and subject to the conditions set out in this Prospectus that:
 - (a) the exercise by Stifel of any rights or discretion under the Issue Agreement shall be within the absolute discretion of Stifel and Stifel need not have any reference to the Investor and shall have no responsibility or liability to the Investor whatsoever in connection with any decision to exercise or not to exercise any such right. Each Investor agrees that they have no rights against Stifel or any of its affiliates, the Company and any of its respective directors and

employees under the Issue Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999;

- (b) the content of this Prospectus and any supplementary prospectus is exclusively the responsibility of the Company, and that none of Stifel, its affiliates or any person acting on its or their behalf has or shall have any liability for any information, representation or statement contained in this Prospectus, any supplementary prospectus or any information previously or concurrently published by or on behalf of the Company, and will not be liable for any Investor's decision to participate in the Placing Programme based on any information, representation or statement contained in this Prospectus or otherwise. Each Investor further represents and warrants that in agreeing to subscribe for Placing Programme Shares under the Placing Programme, each Investor is relying on this Prospectus (and any supplementary prospectus published by the Company after the date of this Prospectus) only, and not on any other information or representation or warranty concerning the Company, any of its shares or the Placing Programme made by Stifel, the Company or any of their respective directors, officers or employees or any person acting on behalf of any of them or, if received, it has not relied upon any such information, representations, warranties or statements (including any management presentation that may have been received by any prospective Investor or any material prepared by the Research Department of Stifel (the views of such Research Department not representing and being independent from those of the Company and the Corporate Finance Department of Stifel and not being attributable to the same)), and neither Stifel nor the Company will be liable for any Investor's decision to accept an invitation to participate in the Placing Programme based on any other information, representation, warranty or statement (provided that nothing in these terms and conditions shall exclude the liability of any person for fraudulent misrepresentation). Each Investor further acknowledges and agrees that it may not place the same degree of reliance on this Prospectus as it may otherwise place on a prospectus or admission document. Each Investor further acknowledges and agrees that it has relied solely on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing Programme and it will not rely on any investigation that Stifel, its affiliates or any other person acting on its or their behalf has or may have conducted;
- (c) it has read and understood the Prospectus, including this Part 16, in its entirety and that its subscription of Placing Programme Shares is subject to, and based upon, all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Prospectus;
- (d) none of Stifel, the Company, any of their respective affiliates or any person acting on behalf of any of them has provided it, and will not provide it, with any material regarding the Placing Programme Shares or the Company other than this Prospectus; nor has it requested any of Stifel, the Company, their respective affiliates or any person acting on behalf of any of them to provide it with any such information;
- (e) it has neither received nor relied on any confidential price sensitive information concerning the Company in accepting this invitation to participate in the Placing Programme;
- (f) Stifel does not have any duties or responsibilities to it, or its clients, similar or comparable to the duties of "best execution" and "suitability" imposed by the Conduct of Business Sourcebook in the FCA's Handbook of Rules and Guidance and that Stifel is not acting for it or its clients and that Stifel will not be responsible for providing protections to it or its clients;
- (g) save in the event of fraud on the part of Stifel (and to the extent permitted by the rules of the FCA), neither Stifel, its holding companies nor any direct or indirect subsidiary undertakings of such holding company, nor any of their respective directors, members, partners, officers and employees, shall be responsible or liable to the Investor or any of its clients for any matter arising out of Stifel's role as sponsor and sole bookrunner or otherwise in connection with the

Placing Programme and that where any such responsibility or liability nevertheless arises as a matter of law the Investor and, if relevant, its clients, will immediately waive any claim against any of such persons which the Investor or any of its clients may have in respect thereof;

- (h) (i) it has complied with and will continue to comply with its obligations under the Market Abuse Regulation (EU) No. 596/2014, Criminal Justice Act 1993 and Part VIII of FSMA and other applicable law; (ii) in connection with money laundering and terrorist financing, it has complied with its obligations under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law 1999 and other applicable law, the Terrorism Act 2006 and the Money Laundering Regulations 2007; and (iii) it is not a person: (1) with whom transactions are prohibited under the Foreign Corrupt Practices Act of 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury; (2) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (3) subject to financial sanctions imposed pursuant to a regulation of the EU or a regulation adopted by the United Nations (together, the “**Regulations**”); and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to Stifel such evidence, if any, as to the identity or location or legal status of any person which Stifel may request from it in connection with the Placing Programme (for the purpose of complying with such Regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by Stifel on the basis that any failure by it to do so may result in the number of Placing Programme Shares that are to be purchased by it or at its direction pursuant to the Placing Programme being reduced to such number, or to nil, as Stifel may decide at its sole discretion;
- (i) it is not and is not applying as nominee or agent for a person who is, or may be, mentioned in any of the sections 67, 70, 93 or 96 of the United Kingdom Finance Act 1986 (depository receipts and clearance services);
- (j) the Investor is entitled to subscribe for the Placing Programme Shares in its allocation under the laws of all relevant jurisdictions which apply to such Investor, it has all necessary capacity and that such Investor has fully observed such laws, obtained all governmental and other consents which may be required thereunder or otherwise and complied with all necessary formalities (including, without limitation, in the case of any person on whose behalf the Investor is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Prospectus);
- (k) where the Investor is acquiring Placing Programme Shares for one or more managed accounts, it is authorised in writing by each managed account: (i) to acquire the Placing Programme Shares for each managed account; (ii) to make on its behalf the representations, warranties, acknowledgements, undertakings and agreements in this Part 16 and the Prospectus of which it forms part; and (iii) to receive on its behalf any investment letter relating to the Placing Programme in the form provided to it by Stifel;
- (l) acknowledges that none of Stifel, any of its affiliates, or 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 Programme and that participation in the Placing Programme is on the basis that it is not and will not be treated for these purposes as a client of Stifel and that Stifel has no duties or responsibilities to it for providing the protections afforded to their respective clients or customers or for providing advice in relation to the Placing Programme nor in respect of any representations, warranties, undertakings or indemnities contained in the Issue Agreement nor for the exercise or performance of any of

their rights and obligations thereunder, including any rights to waive or vary any conditions or exercise any termination right;

- (m) undertakes that the person whom it specifies for registration as holder of the Placing Programme Shares will be (i) itself; or (ii) its nominee, as the case may be. Neither Stifel nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Investor and any person acting on behalf of such Investor agrees to participate in the Placing Programme and it agrees to indemnify the Company and Stifel in respect of the same on the basis that the Placing Programme Shares will be allotted to the CREST stock account of Stifel who will hold them as nominee on behalf of such Investor until settlement in accordance with its standing settlement instructions;
- (n) (i) it is not in the United States; (ii) it is not a U.S. Person; and (iii) it is not acting for the account or benefit of a U.S. Person;
- (o) (i) it understands that the Placing Programme Shares are only being offered and sold outside the United States in offshore transactions to persons who are not U.S. Persons pursuant to Regulation S under the U.S. Securities Act, and the Placing Programme Shares have not been and will not be registered under the U.S. Securities Act or under any laws of, or with any securities regulatory authority of, any state or other jurisdiction of the United States; (ii) the offer and sale of the Placing Programme Shares to it has been made outside of the United States in an offshore transaction; and (iii) it agrees not to reoffer, resell, pledge, transfer or deliver the Placing Programme Shares, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and otherwise in compliance with any applicable securities laws of any state or jurisdiction of the United States;
- (p) unless otherwise specifically agreed in writing with Stifel, the Investor represents and warrants that it is not an Excluded Territory and is not subscribing for Placing Programme Shares for the account of any resident of an Excluded Territory;
- (q) the Placing Programme Shares have not been and will not be registered under the securities legislation of Excluded Territories and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within those jurisdictions;
- (r) if a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, represents and warrants that the Placing Programme Shares purchased by it in the Placing Programme will not be acquired on a non discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a Member State of the EEA which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the prior consent of Stifel has been given to the offer or resale;
- (s) represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Programme Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
- (t) if in the United Kingdom, that it is a person (i) who has professional experience in matters relating to investments falling within Article 19(1) of the Order; (ii) falling within Article 49(2)(A) to (D) (“**High Net Worth Companies, Unincorporated Associations, etc.**”) of the Order; or (iii) to whom this Prospectus may otherwise be lawfully communicated;
- (u) represents and warrants that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Placing Programme Shares in, from or otherwise involving, the United Kingdom;

- (v) if in a Member State of the EEA, unless otherwise specifically agreed with Stifel in writing, represents and warrants that it is a Qualified Investor within the meaning of the Prospectus Directive;
- (w) acknowledges that no action has been or will be taken by any of the Company, Stifel or any person acting on behalf of the Company or Stifel that would, or is intended to, permit a public offer of the Placing Programme Shares in any country or jurisdiction where any such action for that purpose is required;
- (x) acknowledges that it is an institution that has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Programme Shares. It further acknowledges that it is experienced in investing in securities of this nature and in this sector and is aware that it may be required to bear, and it, and any accounts for which it may be acting, are able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing Programme. It has relied upon its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing Programme, including the merits and risks involved
- (y) acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions and any non contractual obligations arising out of or in connection with such agreement shall be governed by and construed in accordance with the laws of England and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter (including non contractual matters) arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Programme Shares (together with any interest chargeable thereon) may be taken by the Company or Stifel in any jurisdiction in which the relevant Investor is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
- (z) acknowledges that time shall be of the essence as regards to obligations pursuant to this Part 16;
- (aa) agrees to indemnify on an after tax basis and hold the Company, Stifel and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Part 16 and further agrees that the provisions of this Part 16 shall survive after the relevant Placing Programme Admission and completion of the Placing Programme;
- (bb) acknowledges that Stifel or any of its affiliates acting as an investor for its own account may take up shares in the Company and in that capacity may retain, purchase or sell for its own account such shares and may offer or sell such shares other than in connection with the Placing Programme;
- (cc) represents and warrants that, if it is a pension fund or investment company, its purchase of Placing Programme Shares is in full compliance with all applicable laws and regulation;
- (dd) to the fullest extent permitted by law, it acknowledges and agrees to the disclaimers contained in the Prospectus, including this Part 16; and
- (ee) agrees that the Company, Stifel and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to Stifel on its own behalf and on behalf of the Company and are irrevocable and are irrevocably authorised to produce this Prospectus or a copy thereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

5. Supply and disclosure of information

If the Company, Stifel or any of their respective agents request any information about an Investor or its agreement to subscribe for Placing Programme Shares, such Investor must promptly disclose it to them.

6. Miscellaneous

- 6.1 The rights and remedies of Stifel 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.
- 6.2 On application, each Investor may be asked to disclose, in writing or orally, to Stifel if:
 - (a) he is an individual, his nationality; or
 - (b) it is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.
- 6.3 All documents will be sent at the Investor's risk. They may be sent by post to such Investor at an address notified to Stifel.
- 6.4 Each Investor agrees to be bound by the Company's Articles (as amended from time to time) once the Placing Programme Shares which such Investor has agreed to subscribe for have been issued to such Investor.
- 6.5 The contract to subscribe for Placing Programme Shares and the appointments and authorities mentioned herein will be governed by, and construed in accordance with, the laws of England. For the exclusive benefit of Stifel and the Company, each Investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of the matters referred to in these terms and conditions. This does not prevent an action being taken against an Investor in any other jurisdiction.
- 6.6 In the case of a joint agreement to subscribe for Placing Programme Shares, references to an Investor in these terms and conditions are to each such Investor and the Investors' liability is joint and several.

7. Selling restrictions

Sales outside the United States to Non-U.S. Persons

- 7.1 Each purchaser of the Placing Programme Shares offered in reliance on Regulation S will be deemed to represent and agree as follows:
 - (a) Such purchaser, and any person, if any, for whose account or benefit such purchaser is acquiring the Placing Programme Shares, is not a U.S. Person and is purchasing the Placing Programme Shares outside the United States in an offshore transaction meeting the requirements of Regulation S (including, for the avoidance of doubt, a *bona fide* sale on a market of the London Stock Exchange for listed securities), and the transaction was not pre-arranged with a buyer in the United States or a U.S. Person;
 - (b) it is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire the Placing Programme Shares;
 - (c) it is aware that the Placing Programme Shares have not been and will not be registered under the U.S. Securities Act and are being offered in offshore transactions outside the United States in reliance on Regulation S;
 - (d) it is not acquiring the Placing Programme Shares with a view to the offer, sale, resale, transfer, or delivery, directly or indirectly, of any such Placing Programme Shares into the United States or any jurisdiction referred to above or to, or for the account or benefit of, a U.S. Person;
 - (e) it has received, carefully read and understands this Prospectus, and has not distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or

offering materials concerning the Placing Programme Shares into the United States or to any U.S. Persons, nor will it do any of the foregoing;

- (f) that the Company and Stifel, their affiliates and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations or agreements made by it, if it becomes aware that the foregoing acknowledgements, representations or agreements are no longer accurate or have not been complied with, it will immediately notify the Company and Stifel and, if it is acquiring any Placing Programme Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make such foregoing acknowledgements, representations and agreements on behalf of each such account.

7.2 In addition, distributors and dealers (whether or not participating in the Placing) may not offer, sell or deliver Placing Programme Shares (A) at any time, as part of their distribution or (B) otherwise until 40 days after the later of: (i) the commencement of the Placing; and (ii) the closing of the Placing, in the United States or to, or for the account or benefit of, U.S. Persons, and must provide each broker/dealer to which they deliver any Placing Programme Shares in reliance on Regulation S during such 40-day period, a confirmation or other notice detailing the restrictions on offers and sales of such securities in the United States or to, or for the account or benefit of, U.S. Persons. Failure to adhere to these requirements may result in a violation of the registration requirements of the U.S. Securities Act.

7.3 Prospective investors are hereby notified that sellers of Placing Programme Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the U.S. Securities Act.

Germany

7.4 Each purchaser of the Placing Programme Shares will be deemed to represent that it is a professional and if applicable, semi-professional investor as defined in section 1 para 19 no 32 and 33 of the German Capital Investment Act (*Kapitalanlagegesetzbuch*).

Denmark

7.5 Each purchaser of the Placing Programme Shares will be deemed to represent that it is a qualified investor within the definition stated in Section 2 of the Danish Executive Order no. 1257/2015.

Luxembourg

7.6 Each purchaser of the Placing Programme Shares will be deemed to represent that it is a professional investor as defined in Annex II to MiFID.

Sweden

7.7 Each purchaser of the Placing Programme Shares will be deemed to represent that it is a qualified investor as defined in the Swedish Trading Act.

DEFINITIONS

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

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| “£” and “p” | respectively pounds and pence Sterling |
| “2015 Admission” | has the meaning given in paragraph 9.2 of Part 12 of this Prospectus |
| “2015 C Share Issue” | the admission of 146,853,627 C Shares to the standard segment of the Official List and admission to trading on the Main Market which took place on 2 November 2015 |
| “2015 Placing and Offer Agreement” | the placing and offer agreement dated 5 October 2015 between the Company, the Investment Adviser and Stifel, a summary of which is set out in paragraph 9.2 of Part 12 of this Prospectus |
| “2015 Placing” | has the meaning given in paragraph 9.2 of Part 12 of this Prospectus |
| “2016 Admission” | has the meaning given in paragraph 9.3 of Part 12 of this Prospectus |
| “2016 Audited Accounts” | the audited accounts of the Company for the period ending 31 March 2016 |
| “2016 C Share Issue” | the admission of 175,171,834 C Shares to the standard segment of the Official List and admission to trading on the Main Market which took place on 10 June 2016 |
| “2016 Interim Report” | the interim report for the Company for the period ended 30 September 2016 |
| “2016 Placing” | has the meaning given in paragraph 9.3 of Part 12 of this Prospectus |
| “2016 Placing and Offer Agreement” | the placing and offer agreement dated 5 May 2016 between the Company, the Investment Adviser and Stifel, a summary of which is set out in paragraph 9.3 of Part 12 of this Prospectus |
| “2016 Placing Programme” | the admission of 120 million Ordinary Shares to the premium segment of the Official List and admission to trading on the Main Market which took place on 7 December 2016 |
| “Account Bank” | The Bank Of New York Mellon, London Branch, a banking corporation organised pursuant to the laws of the State of New York and, acting through its London branch at One Canada Square, London, E14 5AL, United Kingdom, acting as account bank for the Subsidiary |
| “Administration Agreement” | the administration agreement dated 28 January 2015, as amended on 2 September 2015, 5 May 2016 and 6 December 2016 between the Company and the Administrator, details of which are set out in paragraph 9.7 of Part 12 of this Prospectus |
| “Administrator” | Praxis Fund Services Limited or such administrator as may be appointed from time to time by the Company |
| “Admission” | admission of the Ordinary Shares to be issued pursuant to the Issue to the Premium Listing segment of the Official List and to trading on the London Stock Exchange’s Main Market for listed securities |
| “Adjusted Net Asset Value” | the Net Asset Value less the dividend of 1.5 pence announced on 20 April 2017 |

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| “AIC” | the Association of Investment Companies |
| “AIC Code” | the AIC’s Code of Corporate Governance, as amended from time to time |
| “AIF” | an alternative investment fund within the meaning of UK AIFMD |
| “AIFM” | an alternative investment fund manager within the meaning of UK AIFMD |
| “AIFM Regulations” | the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) |
| “AIFMD” | the Alternative Investment Fund Managers Directive 2011/61/EU |
| “Annual Record Date” | the date specified in a Tender Circular as being the date on which the number of Ordinary Shares then in issue will be recorded for the purposes of determining the Annual Restriction applicable to that Discretionary Tender |
| “Annual Restriction” | the restriction on Tender Purchases whereby in each year, the Company may purchase no more than 50 per cent. of the Ordinary Shares in issue (excluding Treasury Shares) as at the Annual Record Date |
| “Applicant” | a person or persons (in the case of joint applicants) whose name(s) appear(s) on the registration details of an Offer for Subscription Application Form |
| “Application” | the offer made by an Applicant under the Offer for Subscription by completing an Offer for Subscription Application Form and posting, or delivering it by hand during normal business hours only, it to the Receiving Agent at The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom |
| “Articles of Incorporation” or “Articles” | the articles of incorporation of the Company as amended from time to time (including where the context so requires, the amendments to be proposed at the EGM as more particularly described in the Circular) |
| “Associates” | has the meaning given in the Listing Rules |
| “Auditors” | KPMG Channel Islands Limited or such auditor (who shall be suitably qualified under Guernsey Companies Law) as may be appointed from time to time by the Company |
| “BaFin” | the German Federal Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i>) |
| “Basic Entitlement” | the entitlements of Qualifying Shareholders to apply for Ordinary Shares pursuant to the Open Offer as set out in Part 10 of this Prospectus |
| “Board” or “Board of Directors” | the board of directors of the Company |
| “Borrower” | has the meaning given in paragraph 10 of Part 2 of this Prospectus |
| “Borrowing Limit” | a maximum of 20 per cent. of the Company’s Net Asset Value immediately after any draw down of debt |

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| “Business Day” | any day (other than a Saturday or a Sunday) on which commercial banks are open for business in London and Guernsey |
| “C Share Surplus” | the net assets of the Company attributable to the C Shares (including for the avoidance of doubt, any income and/or revenue (net of expenses) arising from or relating to such assets) less such proportion of the Company’s liabilities as the Directors may determine to attribute to the C Shares |
| “C Shares” | the shares of no par value each in the capital of the Company, issued as C Shares and having the rights and being subject to the restrictions set out in the Articles |
| “Calculation Time” | <p>the earliest of:</p> <ul style="list-style-type: none"> (a) the close of business on the date to be determined by the Directors after the day on which at least 85 per cent. of the net cash proceeds of the issue of the C Shares (after deduction of all expenses and commissions relating to such issue and payable by the Company) have been invested or committed to be invested in accordance with the Investment Policy; (b) the close of business on the Business Day immediately before the day on which Force Majeure Circumstances have arisen or the Directors resolve that they are in contemplation; and (c) the close of business or such other date as the Directors may determine in their sole discretion |
| “certificated” or “in certificated form” | in certificated form, that is, not in CREST |
| “Circular” | the circular to shareholders which accompanies this Prospectus and sets out the terms of the Resolutions and contains the Notice of Meeting |
| “City Code” | the City Code on Takeovers and Mergers |
| “Company” | Sequoia Economic Infrastructure Income Fund Limited |
| “Company’s Website” | the website of the Company, namely: www.seqifund.com |
| “Continuation Resolution” | has the meaning given in paragraph 19.2 of Part 2 of this Prospectus |
| “Contract Notes” | the contract notes to be signed by the Placees in favour of the Company and Stifel acknowledging the Ordinary Share Placing Terms and Conditions or Placing Programme Terms and Conditions (as the case may be) |
| “Conversion” | in relation to any C Shares, the conversion (and where relevant, subdivision and/or consolidation and/or a combination of both or otherwise as appropriate) of C Shares into new Ordinary Shares on the basis set out in the Articles |
| “Conversion Ratio” | the ratio equal to the Net Asset Value per C Share divided by the Net Asset Value per Ordinary Share calculated in accordance with the Articles |

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| “Conversion Time” | a time following the Calculation Time, at which the admission of the new Ordinary Shares arising from the conversion of C Shares to trading on the London Stock Exchange becomes effective being the opening of business on such Business Day as may be selected by the Directors and falling not more than 30 Business Days after the Calculation Time or (in the case of Force Majeure Circumstances having arisen or the Directors having resolved that they are in contemplation) such earlier date as the Directors may resolve |
| “CREST” | the computerised settlement system operated by Euroclear UK and Ireland Limited which facilitates the transfer of title to shares in uncertificated form |
| “CREST Guernsey Requirements” | such rules and requirements of Euroclear as may be applicable to issuers as from time to time specified in the CREST Manual |
| “CREST Manual” | the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms |
| “CREST Regulations” | the Uncertificated Securities Regulations 2001 (SI No. 2001/3755) and the CREST Guernsey Requirements |
| “Custodian” | The Bank of New York Mellon, London Branch, a banking corporation organised pursuant to the laws of the State of New York and, acting through its London branch at One Canada Square, London E14 5AL, United Kingdom, acting as Custodian for the Subsidiary |
| “Danish AIFM Act” | means the Danish Alternative Investment Fund Managers etc. Act no. 598 of 12 June 2013 |
| “Default Shares” | has the meaning given in paragraph 3.1(d)(iv) of Part 12 of this Prospectus |
| “Depositary” | The Bank of New York Mellon SA/NV, a public limited company (société anonyme/naamloze vennootschap), with company number 0806.743.159, whose registered office is at 46 Rue Montoyerstraat, B-1000 Brussels, Belgium, acting through its Frankfurt branch, having its registered address at Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany |
| “Depositary Agreement” | means the agreement between the Investment Manager, the Company and the Depositary dated 21 December 2015, as amended |
| “Director” | a director of the Company whose name is set out in the section entitled “Directors, Agents and Advisers” of this Prospectus |
| “Disclosure Guidance and Transparency Rules” | the Disclosure Guidance and Transparency Rules (as amended from time to time) made by the UK Listing Authority under Part VI of the FSMA |
| “Disclosure Notice” | has the meaning given in paragraph 3.1(d)(i) of Part 12 of this Prospectus |
| “Discretionary Tender” | the tender by the Company (at the absolute discretion of the Directors and subject to approval by the Ordinary Shareholders) on |

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| | a quarterly basis for up to 24.99 per cent. of the Ordinary Shares in issue as at the relevant Quarter Record Date, subject to an overall limit of 50 per cent. in any year |
| “DP Law” | the Data Protection Act 1998 and the Data Protection (Bailiwick of Guernsey) Law 2001 |
| “EEA” | the European Economic Area being the countries included as such in the Agreement on European Economic Area, dated 1 January 1994, among Iceland, Liechtenstein, Norway, the European Community and the Member States, as may be modified, supplemented or replaced |
| “EGM” | the extraordinary general meeting of the Company convened for 19 May 2017 at which the Resolutions shall be voted upon |
| “Eligible Jurisdiction” | has the meaning given in paragraph 2 of Part 1 of this Prospectus |
| “Eligible Transferee” | has the meaning given in paragraph 3.1(f)(vi)(B) of Part 12 of this Prospectus |
| “equity securities” | has the meaning given to that expression in the Articles |
| “ERISA” | the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time |
| “EU” | the European Union |
| “EU Savings Directive” | EU Savings Directive (2003/48/EC) |
| “Euro” or “€” | the lawful currency of the member states of the EU (where adopted) |
| “Euroclear” | Euroclear UK & Ireland Limited |
| “Excess Application Facility” | the arrangement pursuant to which Existing Shareholders may apply for additional Ordinary Shares in excess of their Basic Entitlement in accordance with the terms and conditions of the Open Offer |
| “Excess CREST Open Offer Entitlement” | in respect of each Qualifying CREST Shareholder, the entitlement (in addition to his Basic Entitlement) pursuant to the Open Offer to apply for Ordinary Shares pursuant to the Excess Application Facility, which is conditional on him taking up his Basic Entitlement in full |
| “Excluded Shareholders” | subject to certain exceptions, Shareholders who have a registered address in, who are incorporated in, registered in or otherwise resident or located in any Excluded Territory |
| “Excluded Territory” | Canada, Japan, Australia, New Zealand, the Republic of South Africa and the U.S. and any jurisdiction where the extension or availability of the Issue (and any other transaction contemplated thereby) would breach any applicable laws or regulations, and “Excluded Territories” shall mean any of them |
| “Existing Portfolio” | the Group’s current investment portfolio described in Part 5 of this Prospectus |
| “Existing Shareholder” | an Ordinary Shareholder of the Company as at the date of this document |

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| “FATCA” | has the meaning given in paragraph 2.5 of Part 11 of this Prospectus |
| “FCA” or “Financial Conduct Authority” | the Financial Conduct Authority of the United Kingdom in its capacity as the competent authority for the purposes of FSMA |
| “Fitch” | Fitch Ratings Inc. |
| “Force Majeure Circumstances” | <p>in relation to any C Shares:</p> <p>(a) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable (and notwithstanding that less than the appropriate percentage of the net cash proceeds of the issue of C Shares (after deduction of all expenses and commissions relating to such issue and payable by the Company) have been invested or committed to be invested in accordance with the Investment Policy);</p> <p>(b) the issue of any proceedings challenging or seeking to challenge the power of the Company and/or its Directors to issue the C Shares with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are proposed to be issued; or</p> <p>(c) the convening of any general meeting of the Company at which a resolution is to be proposed to wind up the Company,</p> <p>whichever shall happen earliest</p> |
| “FSMA” | the Financial Services and Markets Act 2000 of the United Kingdom, as amended |
| “general meeting” | a meeting of the Shareholders, convened in accordance with the Articles |
| “GFSC Code” | the Guernsey Financial Services Commission’s Finance Sector Code of Corporate Governance |
| “Gross Issue Proceeds” | the aggregate value of the Ordinary Shares issued under the Issue at the Issue Price |
| “Group” or “Sequoia” | the Company and the Subsidiary |
| “Guernsey Companies Law” | the Companies (Guernsey) Law, 2008, as amended, extended or replaced and any ordinance, statutory instrument or regulation thereunder |
| “Guernsey Financial Services Commission” or “GFSC” | the regulatory body for the finance sector in Guernsey |
| “HMRC” | HM Revenue & Customs |
| “Holdco Debt” | has the meaning given in paragraph 11.1 of Part 2 of this Prospectus |
| “IFRS” | the body of pronouncements issued by the International Accounting Standards Board (IASB), including International Financial Reporting Standards and interpretations approved by the IASB, International Accounting Standards and Standing Interpretations |

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| | Committee interpretations approved by the predecessor International Accounting Standards Committee |
| “Investment Adviser” | Sequoia Investment Management Company Limited, a limited liability company incorporated in England and Wales (registered number: 05902847) with registered address 11-13 Market Place, London, W1W 8AH |
| “Investment Advisory Agreement” | the investment advisory agreement dated 28 January 2015, as amended pursuant to amendment agreements dated 6 October 2015 and 5 May 2016 between the Investment Manager, the Company, the subsidiary and the Investment Adviser, details of which are set out in paragraph 9.5 of Part 12 of this Prospectus |
| “Investment Criteria” | has the meaning given in paragraph 2 of Part 1 of this Prospectus |
| “Investment Concentration Limits” | has the meaning given in paragraph 3 of Part 1 of this Prospectus |
| “Investment Management Agreement” | the management agreement dated 28 January 2015, as amended pursuant to amendment agreements dated 6 October 2015, 6 December 2016 and 3 May 2017 between the Company and the Investment Manager, a summary of which is set out in paragraph 9.3 of Part 12 of this Prospectus |
| “Investment Manager” | International Fund Management Limited, a limited liability company incorporated on 3 September 1987 in Guernsey (registered number 17484) with registered address Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 4NA, with telephone number +44 (0)1481 737600 |
| “Investment Policy” | the investment policy substantially in the form set out in Part 1 of this Prospectus |
| “Investments” | investments made by the Group in accordance with the Investment Policy |
| “IPO” | the admission of 150 million Ordinary Shares to the premium segment of the Official List and admission to trading on the Main Market which took place on 3 March 2015 |
| “IRS” | U.S. Internal Revenue Service |
| “Issue” | the Open Offer, Ordinary Share Placing and Offer for Subscription |
| “Issue Agreement” | the Issue Agreement dated 3 May 2017 between the Company, the Investment Adviser and Stifel, a summary of which is set out in paragraph 9.1 of Part 12 of this Prospectus |
| “Issue Date” | the day on which the Company first receives the Net Issue Proceeds |
| “Issue Price” | 105.5 pence per Ordinary Share |
| “KAGB” | the German Capital Investment Act (<i>Kapitalanlagegesetzbuch</i>) |
| “Libor” | the London Interbank Offered Rate, being the average rate of interest that leading banks in London charge when lending to other banks |
| “Listing Rules” | the listing rules made by the UK Listing Authority under section 73A of FSMA |

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| “London Stock Exchange” | London Stock Exchange Plc, the Main Market of which is a regulated market for the purposes of MiFID |
| “Main Market” | the London Stock Exchange’s Main Market for listed securities |
| “Major Sub-Sector” | has the meaning given in paragraph 10 of Part 1 of this Prospectus |
| “Mazars Valuation Agent” | Mazars LLP |
| “Mazars Valuation Engagement Letter” | the valuation engagement letter dated 15 April 2016 between the Subsidiary and the Mazars Valuation Agent |
| “Member State” | a sovereign state which is a member of the EU |
| “Memorandum” | the memorandum of incorporation of the Company in force from time to time |
| “MiFID” | the European Parliament and Council Directive on markets in financial instruments (No. 2004/39/EC) |
| “Minimum Net Proceeds” | £60 million (or such other amount as the Company and Stifel may determine and notify to investors via publication of a RIS announcement) |
| “Money Laundering Directive” | the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing) |
| “Money Laundering Regulations” | all applicable anti-money laundering and/or countering terrorism financing laws and regulations, including without limitation, those under the laws of the United Kingdom and Guernsey |
| “Moody’s” | Moody’s Investors Service |
| “Moody’s Study” | has the meaning given in paragraph 2.2 of Part 4 of this Prospectus |
| “NAV” or “Net Asset Value” | the value of the assets of the Company less its liabilities as determined in accordance with the procedure set out in paragraph 14 of Part 2 of the Prospectus or such other procedure as may be determined by the Directors from time to time and, where the context requires, the part of that amount attributable to a particular class of shares. Unless otherwise provided, any reference to “NAV” or “Net Asset Value” shall be to unaudited “NAV” or “Net Asset Value” |
| “NAV Calculation Date” | the last Business Day of each calendar month or such other date as the Directors may, in their discretion, determine |
| “Net Asset Value per C Share” | at any time the Net Asset Value attributable to the C Shares divided by the number of C Shares in issue |
| “Net Asset Value per Ordinary Share” | at any time, the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue |
| “Net Issue Proceeds” | the net cash proceeds of the Issue (after deduction of all expenses and commissions relating to such Issue and payable by the Company) |

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| “Net Placing Programme Proceeds” | the net cash proceeds of the Placing Programme (after deduction of all expenses and commissions relating to such Issue and payable by the Company) |
| “NMPIs” | non-mainstream pooled investments |
| “Non-Qualified Holder” | any person (a) whose ownership of Shares may cause the Company’s assets to be deemed “plan assets” for the purposes of ERISA or the U.S. Tax Code; (b) whose ownership of the Shares may cause the Company to be required to register as an “investment company” under the U.S. Investment Company Act (including because the holder of the Shares is not a “qualified purchaser” as defined in the U.S. Investment Company Act); (c) whose ownership of Shares may cause the Company to register under the U.S. Exchange Act or any similar legislation; (d) whose ownership of Shares may cause the Company not being considered a “Foreign Private Issuer” as such term is defined in rule 3b-4(c) under the U.S. Exchange Act; (e) whose ownership may result in a person holding Shares in violation of the transfer restrictions put forth in any prospectus published by the Company, from time to time |
| “non-U.S. Person” | any person other than a U.S. Person |
| “Notice of Meeting” | the Company’s notice of the EGM which is appended to the Circular |
| “Offer for Subscription” | the offer for subscription to the public in the UK of the Ordinary Shares at the Issue Price on the terms set out in this Prospectus |
| “Offer for Subscription Application Form” | the application form forming part of this Prospectus for use in connection with the Offer for Subscription |
| “Official List” | the official list of the UK Listing Authority |
| “offshore transaction” | has the meaning given in Regulation S |
| “Open Offer” | the conditional offer to Qualifying Shareholders, constituting an invitation to apply for Ordinary Shares, on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Open Offer Application Form |
| “Open Offer Application Form” | the personalised application form on which Qualifying Non-CREST Shareholders may apply for Ordinary Shares under the Open Offer |
| “Order” | the Financial Services And Markets Act 2000 (Financial Promotion) Order 2005, as amended |
| “Ordinance” | Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 |
| “Ordinary Resolution” | a resolution of the Company passed by a simple majority in accordance with Guernsey Companies Law |
| “Ordinary Share Placing” | the placing of Ordinary Shares at the Issue Price, as described in Part 8 of this Prospectus |
| “Ordinary Share Placing Terms and Conditions” | the terms and conditions incorporated into this Prospectus setting out the terms on which the Placee will subscribe for Ordinary Shares under the Ordinary Share Placing |

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| “Ordinary Share Surplus” | the net assets of the Company attributable to the Ordinary Shares (including for the avoidance of doubt, any income and/or revenue (net of expenses) arising from or relating to such assets) less such proportion of the Company’s liabilities as the Directors may determine to attribute to the Ordinary Shares; |
| “Ordinary Shareholder” | a holder of Ordinary Shares |
| “Ordinary Shares” | ordinary shares of no par value in the capital of the Company having the rights and obligations set out in the Articles |
| “Panel” | the Panel on Takeovers and Mergers |
| “PFI” | private finance initiative |
| “Placee” | a Relevant Person (including individuals, funds or otherwise) by whom or on whose behalf a commitment to subscribe for Ordinary Shares or Placing Programme Shares (as the case may be) has been given |
| “Placing Programme” | the placing programme of up to 200 million Placing Programme Shares as described in Part 15 of this Prospectus |
| “Placing Programme Admission” | admission of any Ordinary Shares to be issued pursuant to the Placing Programme to the Premium Listing segment of the Official List and to trading on the Main Market |
| “Placing Programme Shares” | the new Ordinary Shares proposed to be issued pursuant to the Placing Programme |
| “Placing Programme Terms and Conditions” | the terms and conditions incorporated into this Prospectus setting out the terms on which the Placees will subscribe for Placing Programme Shares |
| “POI Law” | the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended |
| “Portfolio” | at any time, the portfolio of Investments in which the assets of the Group are directly and/or indirectly invested |
| “Portfolio Administrator” | The Bank of New York Mellon SA/NV, a banking corporation organised pursuant to the laws of Belgium, with company number 0806.743.159, whose registered office is at 46 Rue Montoyerstraat, B-1000 Brussels, Belgium, acting through its Dublin Branch, (registered in Ireland with branch number 907126) and having its registered branch office at Hanover Building, Windmill Lane, Dublin 2, Ireland, in its respective capacities as portfolio administrator for the Subsidiary |
| “Portfolio Administration and Agency Agreement” | the portfolio administration and agency agreement dated 27 February 2015 as amended pursuant to amendment agreements dated 6 October 2015 and 25 April 2017 between the Subsidiary, the Investment Adviser, the Portfolio Administrator, the Account Bank and the Custodian, details of which are set out in paragraph 9.12 of Part 12 of this Prospectus |
| “Portfolio Date” | the latest practicable date prior to the publication of this Prospectus for which the Group is able to provide figures relating to its Portfolio |

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| “Premium Listing” | a listing on the Official List which complies with the requirements of the Listing Rules for a premium listing |
| “project agreement” | the agreement or group of agreements entered into by a Borrower which regulates its rights and obligations with regard to the relevant infrastructure project |
| “Prospectus” | this document, which constitutes a Prospectus relating to the Company in accordance with the Prospectus Rules |
| “Prospectus Directive” | Directive 2003/71/EC as amended and includes any relevant implementing measure in each Relevant Member State |
| “Prospectus Rules” | the rules made for the purposes of Part VI of FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated market |
| “Qualified Investor(s)” | persons in member states of the EEA who are qualified investors as defined in article 2.1(e) of the Prospectus Directive |
| “Qualifying Shareholders” | holders of Ordinary Shares on the register of members of the Company at the Record Date with the exclusion of Excluded Shareholders |
| “Qualifying CREST Shareholder” | an existing Qualifying Shareholder holding Ordinary Shares in uncertificated form and “Qualifying CREST Shareholders” shall be construed accordingly |
| “Qualifying Non-CREST Shareholder” | an existing Qualifying Shareholder holding Ordinary Shares in certificate form and “Qualifying Non-CREST Shareholders” shall be construed accordingly |
| “Quarter Record Date” | the date specified in a Tender Circular as being the date on which the number of Ordinary Shares then in issue will be recorded for the purposes of determining the Quarterly Restriction applicable to that Discretionary Tender |
| “Quarterly Restriction” | the restriction on Tender Purchases whereby, in each quarter of a calendar year, the Company may purchase a maximum of 24.99 per cent. of the Ordinary Shares in issue (excluding Treasury Shares) as at the relevant Quarter Record Date, subject to the Annual Restriction |
| “Receiving Agent” | Computershare Investor Services PLC |
| “Receiving Agent Agreement” | the receiving agent agreement dated 3 May 2017 between the Company and the Receiving Agent of the Company, details of which are set out in paragraph 9.9 of Part 12 of this Prospectus |
| “Record Date” | 6.00 p.m. on 2 May 2017 |
| “Registrar” | Computershare Investor Services (Guernsey) Limited or such other person or persons from time to time appointed by the Company |
| “Regulatory Information Service” or “RIS” | a regulated information service approved by the FCA and on the list of Regulatory Information Services maintained by the FCA |
| “Regulation S” | Regulation S promulgated under the U.S. Securities Act |
| “Related Party” | has the meaning given in paragraph 7 of Part 2 |

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| “Relevant Implementation Date” | the date on which the Prospectus Directive was implemented in a Relevant Member State |
| “Relevant Member State” | each member state of the EEA that has implemented the Prospectus Directive |
| “Relevant Person” | has the meaning given in paragraph 1 of Part 8 of this Prospectus |
| “Relevant Shares” | has the meaning given in paragraph 3.1(f)(vi)(B) of Part 12 of this Prospectus |
| “Renewables Obligation” | a requirement for electricity suppliers to supply minimum levels of renewable source electricity or make buy-out payments into a central fund |
| “Renewables Obligation Certificate” or “ROC” | a certificate evidencing compliance with a Renewables Obligation |
| “Resolution 1” | has the meaning given in paragraph 7 of Part 2 of this Prospectus |
| “Resolution 2” | has the meaning given in paragraph 7 of Part 2 of this Prospectus |
| “Resolution 3” | has the meaning given in paragraph 7 of Part 2 of this Prospectus |
| “Resolution 4” | has the meaning given in paragraph 7 of Part 2 of this Prospectus |
| “Resolution 5” | has the meaning given in paragraph 7 of Part 2 of this Prospectus |
| “Resolutions” | the proposed resolutions of the Company which will be voted on by the Shareholders at the EGM in order to approve, <i>inter alia</i> , the matters set out in paragraph 7 of Part 2 of this Prospectus |
| “S & P” | Standard & Poor’s Financial Services LLC |
| “Scheme Rules” | the Registered Collective Investment Scheme Rules 2015 issued by the GFSC |
| “Share Registration Services Agreement” | the company share registration services agreement dated 28 January 2015 between the Company and the Registrar (as amended from time to time), details of which are set out in paragraph 9.8 of Part 12 of this Prospectus |
| “Sharedealing Code” | the sharedealing code adopted by the Company for the purpose of complying with UK legislation and the Market Abuse Regulation (EU) No. 596/2014 |
| “Shareholder/s” | any holders of Shares in the Company from time to time |
| “Shares” | any shares issued by the Company from time to time |
| “Similar Law” | any federal, state, local or non-U.S. law that regulates the investments of a governmental plan, church plan or non-U.S. plan in a manner similar to ERISA and the U.S. Tax Code |
| “Special Resolution” | a resolution of the Company passed by a majority of not less than 75 per cent. in accordance with the Guernsey Companies Law |
| “SPV” | special purpose vehicle |
| “Standard Listing” | a listing on the Official List which complies with the requirements of the Listing Rules for a standard listing |
| “Sterling” | the lawful currency of the United Kingdom |

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| “Stifel” | Stifel Nicolaus Europe Limited |
| “Subsidiary” | Sequoia IDF Asset Holdings S.A., a société anonyme incorporated under the laws of the Grand Duchy of Luxembourg and subject to, as an unregulated securitisation entity, the Securitisation Act 2004, having its registered office at 46A Avenue J.F. Kennedy, L-1855, Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies |
| “Subsidiary Valuation Engagement Letter” | the valuation engagement letter between the Subsidiary and the Valuation Agent, details of which are set out in paragraph 9.10 of Part 12 of this Prospectus |
| “Takeover Code” | the City Code on Takeovers and Mergers, as amended from time to time |
| “Takeover Panel” | the UK Panel on Takeovers and Mergers, a regulatory body charged with the administration of the Takeover Code |
| “Target Portfolio” | the Group’s anticipated target investment portfolio described in Part 6 of this Prospectus; |
| “TCGA” | the Taxation of Chargeable Gains Act 1992 |
| “Tender Circular” | the circular distributed to Ordinary Shareholders containing the terms and conditions applicable to a Discretionary Tender, along with specific details for Discretionary Tenders in a given 12 month period |
| “Tender Purchase” | the Ordinary Shares purchased pursuant to a Discretionary Tender |
| “TIOPA” | the Taxation (International and Other Provisions) Act 2010 |
| “TMF” | TMF Luxembourg S.A., is a public limited liability company (société anonyme), incorporated and governed in compliance with the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B-15.302, having its registered office at 46A, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg |
| “Transfer Notice” | has the meaning given in paragraph 3.1(f)(vi)(B) of Part 12 of this Prospectus |
| “Treasury Department” | has the meaning given in paragraph 2.1 of Part 11 of this Prospectus |
| “Treasury Shares” | the Ordinary Shares purchased pursuant to a Discretionary Tender which are held by the Company in treasury |
| “UK AIFMD” | AIFMD as implemented in the UK |
| “UK Corporate Governance Code” | the UK Corporate Governance Code in the latest form issued by the Financial Reporting Council from time to time |
| “UK-Guernsey IGA” | has the meaning given in paragraph 2.6 of Part 11 of this Prospectus |
| “UK Listing Authority” | the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA |
| “United Kingdom” or “UK” | the United Kingdom of Great Britain and Northern Ireland |

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| “USE” | has the meaning given in paragraph 4.2.4 of Part 10 of this Prospectus |
| “U.S.” or “United States” | the United States of America, its states, territories and possessions, including the District of Columbia |
| “U.S. Dollar” or “US\$” | the lawful currency of the United States |
| “U.S. Exchange Act” | the U.S. Securities Exchange Act of 1934, as amended |
| “U.S.-Guernsey IGA” | has the meaning given in paragraph 2.6 of Part 11 of this Prospectus |
| “U.S. Investment Advisers Act” | the U.S. Investment Advisers Act of 1940, as amended |
| “U.S. Investment Company Act” | the U.S. Investment Company Act of 1940, as amended |
| “U.S. Person” | has the meaning given in Regulation S |
| “U.S. Plan Asset Regulations” | the regulations promulgated by the U.S. Department of Labour at 29 CFR 2510.3-101, as modified by section 3(42) of ERISA |
| “U.S. Plan Investor” | (i) an “employee benefit plan” that is subject to Part 4 of Title I of ERISA; (ii) a “plan” to which Section 4975 of the U.S. Tax Code applies; or (iii) an entity whose underlying assets are considered to include “plan assets” within the meaning given thereto by the U.S. Plan Asset Regulations by reason of investment by an “employee benefit plan” or “plan” described in the preceding clauses (i) or (ii) in such entity |
| “U.S. Securities Act” | the United States Securities Act of 1933, as amended |
| “U.S. Tax Code” | the U.S. Internal Revenue Code of 1986, as amended |
| “Valuation Agent” | PricewaterhouseCoopers LLP (telephone number: 020 7583 5000) or such valuation agent as may be appointed from time to time by the Company |
| “Valuation Agent Engagement Letter” | the valuation engagement letter dated 18 April 2017 between the Company and the Valuation Agent |
| “Valuation Date” | the last Business Day in each calendar month (or such other day as the Directors may determine) |
| “VAT” | value added tax or any similar or replacement tax |
| “Vendor” | has the meaning given in paragraph 3.1(f)(vi)(B) of Part 12 of this Prospectus |
| “Yield to Worst” | for bonds with call dates, the lowest of the yield-to-call rates for each call date and the yield to maturity |

OFFER FOR SUBSCRIPTION APPLICATION FORM

SEQUOIA ECONOMIC INFRASTRUCTURE INCOME FUND LIMITED

(the “Company”)

Please send the completed form by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, so as to be received by no later than 3.00 p.m. on 24 May 2017.

Important – Before completing this form, you should read the accompanying notes set out pages 233 to 236 of this document. All applicants must complete boxes 1 to 4 and box 8 and enclose payment. Box 6 should only be completed if you wish to hold your Ordinary Shares in uncertificated form. Box 7 should only be completed by joint applicants. If your application is for more than €15,000 (or its Sterling equivalent, being approximately £12,500), section 8.1, 8.2 or 8.3 (as appropriate) must also be completed.

If you have a query concerning completion of this Offer for Subscription Application Form please call Computershare Investor Services PLC on 0370 707 4040 from within the UK or on +44 370 707 4040 if calling from outside the UK. *Calls may be recorded and randomly monitored for security and training purposes. Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). The helpline cannot provide advice on the merits of the offer nor give any financial, legal or tax advice.*

1. Application

I/We, the person(s) detailed in section(s) 3 and, in the case of joint applicants, 7 below offer to subscribe for the number of fully paid Ordinary Shares specified in the box below at 105.5 pence per Ordinary Share subject to the Terms and Conditions of Application under the Offer for Subscription set out in the Prospectus dated 3 May 2017 and subject to the Memorandum and Articles of Incorporation of the Company.

(Write in figures, the number of Ordinary Shares that you wish to apply for. The aggregate subscription must not be less than 1,000. Applications in excess of the minimum subscription amount should be in multiples of 1,000.)

2. Amount payable

I/We attach a cheque or banker’s draft for the amount payable of:

(The amount in Box 1 multiplied by the Issue Price, being 105.5 pence per Ordinary Share)

3. Personal details (PLEASE USE BLOCK CAPITALS)

| | |
|------------------------|-----------------------|
| Mr, Mrs, Miss or Title | Forenames (in full) |
| Surname | |
| Address (in full) | |
| | |
| Postcode | Daytime telephone no. |



Should you wish to settle DVP, you will need to match your instructions to Computershare Investor Services PLC's Participant account 3RA54 by not later than 1.00 p.m. on 30 May 2017. You must also ensure that you or your settlement agent/custodian have a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/their own daily trading and settlement requirements.

6. Ordinary Shares in uncertificated form (CREST)

Complete this section only if you require your Ordinary Shares to be credited to a CREST account in the same name as the applicant.

| | | | | | | | | | | | | | | |
|---|--|--|--|--|--|---|--|--|--|--|--|--|--|--|
| CREST Participant ID: (no more than five characters) | | | | | | CREST Member Account ID: (no more than eight characters) | | | | | | | | |
| CREST Participant's Name: | | | | | | | | | | | | | | |

7. Joint applicants (PLEASE USE BLOCK CAPITALS)

(Box 7 must only be completed by joint applicants (see note 7). Where the application is being made jointly by more than one person, the proposed first named holder should complete sections 2 and 3 above, and all other applicants (subject to a maximum of three) must complete and sign this section 7)

| Mr, Mrs, Miss or Title | Forenames (in full) | Surname | Address | Signature |
|------------------------|---------------------|---------|---------|-----------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

8. Verification of Identity (If the value of the Ordinary Shares which you are applying for, whether in one or more applications, exceeds €15,000 (or its Sterling equivalent, being approximately £12,500), you must ensure that section 8.1, 8.2 or 8.3 (as appropriate) is completed).

8.1 Professional Advisers and Intermediaries (This section 8.1 should be completed if an application for Ordinary Shares is being made on behalf of a client by a stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 or, if outside the United Kingdom, another appropriately authorised independent financial adviser).

| | |
|---|--------------------|
| (Name of professional adviser or intermediary, in full) | |
| (Address, in full) | |
| | (Post code) |
| (Contact name) | (Telephone number) |

Declaration by the professional adviser or intermediary:



To: Sequoia Economic Infrastructure Income Fund Limited, Computershare Investor Services (Guernsey) Limited, Stifel Nicolaus Europe Limited

We are a financial adviser authorised under the Financial Services and Markets Act 2000 applying for Ordinary Shares on behalf of one or more clients (“**relevant clients**”). As such, we hereby undertake to:

- 8.1.1 complete anti money laundering verification of all relevant clients and to inform you of any unsatisfactory conclusion in respect of any such client;
- 8.1.2 keep records to verify the name, identity, place of birth, residential address, occupation and signature of each relevant client; and
- 8.1.3 supply copies of any such records to you as you may require.

We are governed in the conduct of our investment business and in respect of conducting anti money laundering verification by the following regulatory or professional body (and our reference or other official number allocated to us by that body is included in the box below).

| | |
|---|--------------------------------------|
| (Full name and country of operation of regulatory or professional body) | (Reference or other official number) |
| | |

If you require further information about our procedures or any of our relevant clients, please contact the person named as the contact in the first box in this section 8.1.

| | | |
|------------------|------|--------------------------|
| (Date) | 2017 | (Official stamp, if any) |
| (Signature) | | |
| (Full name) | | |
| (Title/position) | | |

8.2 **Reliable Introducer** (If you are not a professional adviser or intermediary to whom section 8.1 applies, completion and signing of declaration in this section 8.2 by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 8.3 of this form).

The declaration below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the “firm”) which is itself subject in its own country to the operation of “know your customer” and anti money laundering regulations no less stringent than those which prevail in Guernsey. Acceptable countries include Austria, Belgium, Denmark, Finland, France, Germany, Gibraltar, Greece, Jersey, Hong Kong, Iceland, Isle of Man, Italy, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland and the United Kingdom.

Declaration by the firm

To: Sequoia Economic Infrastructure Income Fund Limited, Computershare Investor Services (Guernsey) Limited

With reference to the applicant(s) detailed in section(s) 3 and, in the case of joint applicants, 7 above, all persons signing sections 4 and 7 above and the payor identified in section 5.3 above if not also an applicant holder (collectively the “**relevant persons**”), we hereby declare that:

- 8.2.1 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 Guernsey;

- 8.2.2 we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
- 8.2.3 each of the relevant persons 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;
- 8.2.4 we confirm the accuracy of the names and residential/business address(es) of the applicant(s) named in sections 3 and, in the case of joint applicants, 7 above and, if details of a CREST account are included in section 6 above, that the owner thereof is the applicant named in section 3 above;
- 8.2.5 having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Ordinary Shares to which this application relates; and
- 8.2.6 where the payor and applicant(s) are different persons we are satisfied as to the relationship between them and the reason for the payor being different to the applicant(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 the firm or its officials.

| | | |
|------------------|------|--------------------------|
| (Date) | 2017 | (Official stamp, if any) |
| (Signature) | | |
| (Full name) | | |
| (Title/position) | | |

having authority to bind the firm, the details of which are set out below:

| | |
|---|---|
| (Name of firm, in full) | |
| (Address, in full) | |
| | |
| | (Post code) |
| (Contact name) | (Telephone number) |
| (Full name of firm's regulatory authority) | |
| (Website address or telephone number of regulatory authority) | (Firm's registered, licence or other official number) |

- 8.3 Applicant identity information (Only complete this section 8.3 if your application has a value greater than €15,000 (or its Sterling equivalent, being approximately £12,500) and neither of sections 8.1 and 8.2 can be completed).

In accordance with internationally recognised standards for the prevention of money laundering, the relevant documents and information listed below must be provided (please note that the Company and Stifel and the Receiving Agent reserve the right to ask for additional documents and information).



| | Tick here for documents provided | | | | |
|--|----------------------------------|---|---|---|-------|
| | Applicant | | | | Payor |
| | 1 | 2 | 3 | 4 | |
| A. For each applicant who is an individual enclose: | | | | | |
| (i) a certified clear photocopy of one of the following identification documents which bears both a photograph and the signature of the person: (a) current passport; (b) Government or Armed Forces identity card; or (c) driving licence; and | | | | | |
| (ii) certified copies of at least two of the following documents which purport to confirm that the address(es) given in section 3 and, in the case of joint applicants, section 7 is the applicant's residential address: (a) a recent gas, electricity, water or telephone (not mobile) bill; (b) a recent bank statement; (c) a council tax bill; or (d) similar bill issued by a recognised authority; and | | | | | |
| (iii) if none of the above documents show their date and place of birth, enclose a note of such information; and | | | | | |
| (iv) details of the name and address of their personal bankers from which the Receiving Agent or the Company may request a reference, if necessary. | | | | | |
| B. For each holder being a company (a "holder company") enclose: | | | | | |
| (i) a certified copy of the certificate of incorporation of the holder company; and | | | | | |
| (ii) the name and address of the holder company's principal bankers from which the Receiving Agent or the Company may request a reference, if necessary; and | | | | | |
| (iii) a statement as to the nature of the holder company's business, signed by a director; and | | | | | |
| (iv) a list of the names and residential addresses of each director of the holder company; and | | | | | |
| (v) for each director provide documents and information similar to that mentioned in A above; and | | | | | |
| (vi) a copy of the authorised signatory list for the holder company; and | | | | | |
| (vii) a list of the names and residential/registered addresses of each ultimate beneficial owner interested in more than 5% of the issued share capital of the holder company and, where a person is named, also enclose the documents and information referred to in C below and, if another company is named (a "beneficiary company"), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company. | | | | | |
| C. For each individual named in B(vii) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in A(i) to (iv) | | | | | |
| D. For each beneficiary company named in B(vii) as a beneficial owner of a holder company enclose: | | | | | |
| (i) a certificated copy of the certificate of incorporation of that beneficiary company; and | | | | | |
| (ii) a statement as to the nature of that beneficiary company's business signed by a director; and | | | | | |
| (iii) the name and address of the beneficiary company's principal bankers from which the Receiving Agent or the Company may request a reference, if necessary; and | | | | | |
| (iv) enclose a list of the names and residential/registered address of each beneficial owner owning more than 5% of the issued share capital of that beneficiary company. | | | | | |
| E. If the payor is not an applicant and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment enclose: | | | | | |
| (i) if the payor is a person, for that person the documents mentioned in A(i) to (iv); or | | | | | |
| (ii) if the payor is a company, for that person the documents mentioned in B(i) to (vii); and | | | | | |
| (iii) an explanation of the relationship between the payor and the applicant(s). | | | | | |

NOTES ON HOW TO COMPLETE THE OFFER FOR SUBSCRIPTION APPLICATION FORM

Applications should be returned so as to be received by 3.00 p.m. on 24 May 2017.

All Applicants should read Notes 1-5. Note 6 should be read by applicants who wish to hold their Ordinary Shares in uncertificated form. Note 7 should be read by joint applicants.

1. Application

Fill in (in figures) the aggregate number for which your application for Ordinary Shares is made. Your application must be for a minimum of 1,000 Ordinary Shares or, if for more than 1,000, in multiples of 1,000.

2. Amount payable

Fill in (in figures) the total amount payable for the Ordinary Shares for which your application is made which is the amount in Box 1 multiplied by the Issue Price, being 105.5 pence per Ordinary Share.

3. Personal details

Fill in (in block capitals) your full name, address and daytime telephone number. If this application is being made jointly with other persons, please read Note 7 before completing Box 3.

If you are making this application on behalf of another person or a corporation, that person's or corporation's details should be filled in (in block capitals) in Box 3.

4. Signature

The applicant named in Box 3 must date and sign Box 4.

The Offer for Subscription Application Form may be signed by another person on your behalf if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified as true by a solicitor or a bank) must be enclosed for inspection. A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated.

5. Cheque/banker's draft details

Attach a cheque or banker's draft for the exact amount shown in Box 2 to your completed Offer for Subscription Application Form. Your cheque or banker's draft must be made payable to "CIS PLC re: Sequoia Economic Infrastructure Income Fund Limited Offer for Subscription a/c" and crossed "a/c payee".

Your payment must relate solely to this application. No receipt will be issued. Your cheque or banker's draft must be drawn in Sterling on an account where you have sole or joint title to the funds held at a bank branch in the United Kingdom, the Channel Islands or the Isle of Man and must bear a United Kingdom bank sort code number.

6. Electronic Payment

To make payment electronically please contact Computershare at sequoia@computershare.co.uk. Computershare will provide you with the necessary details to make payment in this way.

Applications with a value of €15,000 (or its Sterling equivalent, being approximately £12,500) or greater, which are to be settled by way of a third party payment (e.g. banker's draft or building society cheque) will be subject to the verification of identity requirements which are contained in the Money Laundering Regulations 2007, the Money Laundering Directive (Council Directive No. 91/308/EEC), the Criminal Justice (Proceeds of Crime) (Financial Services Businesses) (Bailiwick of Guernsey) Regulations 2007 and the Handbook of Financial Services Business (together referred to as the "**Money Laundering Regulations**") (in each case as amended) and any other regulations applicable thereto. This may involve verification of names and addresses (only) through a reputable agency.

If satisfactory evidence of identity has not been obtained within a reasonable time, and in any event (unless the Offer for Subscription is extended) by 3.00 p.m. on 24 May 2017, your application may not be accepted.

Certificates, cheques and all other correspondence will be sent to the address in Box 3.

7. Crest Settlement

The Application Form in Appendix 1 contains details of the information which Computershare will require from you in order to settle your application within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for Computershare to match to your CREST account, Computershare will deliver your Ordinary Shares in certificated form provided payment has been made in terms satisfactory to the Company.

The right is reserved to issue your Ordinary Shares in certificated form should the Company, having consulted with Computershare, consider this to be necessary or desirable. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST or on the part of the facilities and/or system operated by Computershare in connection with CREST.

The person named for registration purposes in your Application Form (which term shall include the holder of the relevant CREST account) must be: (i) the person procured by you to subscribe for or acquire the relevant Ordinary Shares; or (ii) yourself; or (iii) a nominee of any such person or yourself, as the case may be. Neither Computershare nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement.

Computershare, on behalf of the Company, will input a DVP instruction into the CREST system according to the booking instructions provided by you in your Application Form. The input returned by you or your settlement agent/custodian of a matching or acceptance instruction to our CREST input will then allow the delivery of your Ordinary Shares to your CREST account against payment of the Issue Price per Ordinary Share through the CREST system upon the Settlement Date.

By returning the Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian's CREST account allows for the delivery and acceptance of Ordinary Shares to be made prior to 8.00 a.m. on 31 May 2017 against payment of the Issue Price per Ordinary Share. Failure by you to do so will result in you being charged interest at a rate equal to the London Inter-Bank Offered Rate for seven day deposits in sterling plus two per cent. per annum.

To ensure that you fulfil this requirement it is essential that you or your settlement agent/custodian follow the CREST matching criteria set out below:

- Trade Date: 26 May 2017
- Settlement Date: 31 May 2017
- Company: Economic Infrastructure Income Fund Limited
- Security Description: Ordinary Shares of No Par Value
- SEDOL: BV54HY6
- ISIN: GG00BV54HY67

Should you wish to settle DVP, you will need to match your instructions to Computershare's Participant account 3RA54 by no later than 1.00 p.m. on 26 May 2017. You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

In the event of late CREST settlement, the Company, after having consulted with Computershare, reserves the right to deliver Ordinary Shares outside CREST in certificated form provided payment has been made in terms satisfactory to the Company and all other conditions in relation to the Offer for Subscription have been satisfied.

8. Ordinary Shares in uncertificated form (CREST)

If you wish your Ordinary Shares to be issued in uncertificated form you should complete Box 6 in addition to the other parts of the Offer for Subscription Application Form.

9. Joint applicants

If you make a joint application, you will not be able to transfer your Ordinary Shares into an ISA. If you are interested in transferring your Ordinary Shares into an ISA, the application should be made by you (or on your behalf) in your name only. If you do wish to apply jointly, you may do so with up to three other persons. Boxes 3 and 4 must be completed by one applicant. All other persons who wish to join in the application must complete and sign Box 7.

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 as true by a solicitor or a bank) must be enclosed for inspection.

Certificates, cheques and all other correspondence will be sent to the address in Box 3.

10. Verification of identity

Section 8 of the Offer for Subscription Application Form only applies if the aggregate value of the Ordinary Shares which you are applying for, whether in one or more applications, exceeds €15,000 (or its Sterling equivalent, being approximately £12,500). If section 8 applies to your application, you must ensure that section 8.1, 8.2 or 8.3 (as appropriate) is completed.

10.1 Professional adviser or intermediary

You should complete section 8.1 of the Offer for Subscription Application Form if you are a stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 or, if outside the United Kingdom, another appropriately authorised independent financial adviser acting on behalf of a client.

10.2 Reliable introducer

If you are not a professional adviser or intermediary and the value of your application(s) exceed(s) €15,000 (or its Sterling equivalent, being approximately £12,500), you will be required to provide the verification of identity documents listed in section 8.3 of the Offer for Subscription Application Form unless you can have the declaration set out in section 8.2 of the Offer for Subscription Application Form given and signed by a firm acceptable to the Receiving Agent and the Company. Section 8.2 of the Offer for Subscription Application Form details those firms acceptable to the Receiving Agent and the Company for signing the declaration. In order to ensure their Offer for Subscription Application Forms are processed timely and efficiently, all applicants who are not professional advisers or intermediaries and to whose applications section 8 of the Offer for Subscription Application Form applies are strongly advised to have the declaration set out in section 8.2 of the Offer for Subscription Application Form completed and signed by a suitable firm where possible.

10.3 Applicant identity information

Section 8.3 of the Offer for Subscription Application Form need only be completed where the aggregate value of the Ordinary Shares which you are applying for exceeds €15,000 (or its Sterling equivalent, being approximately £12,500) and neither sections 8.1 nor 8.2 of the Offer for Subscription Application Form can be completed.

Notwithstanding that the declaration set out in section 8.2 of the Offer for Subscription Application Form has been completed and signed, the Receiving Agent, Stifel and the Company reserve the right to request of you the identity documents listed in section 8.3 of the Offer for Subscription Application Form and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence.

If satisfactory evidence of identity has not been obtained within a reasonable time, your application might be rejected or revoked.

Where certified copies of documents are requested in section 8.3 of the Offer for Subscription Application Form, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

11. Instructions for delivery of completed Offer for Subscription Application Forms

Completed Offer for Subscription Application Forms should be returned by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received by no later than 3.00 p.m. on 24 May 2017, together in each case with payment in full in respect of the application. If you post your Offer for Subscription Application Form, you are recommended to use first class post and to allow sufficient time for it to be delivered. Offer for Subscription Application Forms received after this date may be returned.

