

Woodford Patient Capital Trust plc

Prospectus

24.02.2015



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from an independent financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000 (“FSMA”).

This document comprises a prospectus relating to Woodford Patient Capital Trust plc (the “Company”) prepared in accordance with the Prospectus Rules. This Prospectus has been approved by the Financial Conduct Authority (“FCA”) and has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules.

Application will be made to the UK Listing Authority and the London Stock Exchange for all of the Ordinary Shares of the Company to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities. It is expected that Admission will become effective and that dealings for normal settlement in the Ordinary Shares will commence on 21 April 2015.

The Company and each of the Directors, whose names appear on page 24 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Portfolio Manager accepts responsibility for the information in Part 3 and paragraph 2 of Part 4 of this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information in Part 3 and paragraph 2 of Part 4 of this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Prospective investors should read the entire Prospectus and, in particular, the section headed “Risk Factors” when considering an investment in the Company.

Woodford Patient Capital Trust plc

(Incorporated in England and Wales with company no. 09405653 and registered as an investment company under section 833 of the Companies Act 2006)

Placing and Offer for Subscription for a target Issue of 200 million Ordinary Shares at 100 pence per Ordinary Share

Portfolio Manager

Woodford Investment Management LLP

Sponsor, Financial Adviser and Placing Agent

Winterflood Securities Limited

Winterflood Securities Limited (“Winterflood”) is authorised and regulated in the United Kingdom by the FCA and is acting, through its division Winterflood Investment Trusts, as sponsor, financial adviser and placing agent for the Company and for no-one else in connection with the Issue and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Winterflood or for affording advice in relation to the contents of this Prospectus or any matters referred to herein. Winterflood is not responsible for the contents of this Prospectus. This does not exclude any responsibilities which Winterflood may have under FSMA or the regulatory regime established thereunder.

In considering whether to apply for Ordinary Shares, you should rely only on information contained in this Prospectus. Recipients of this Prospectus acknowledge that: (i) they have not relied on the Company or Winterflood or any person affiliated with either of them in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied only on the information contained in this Prospectus and that no person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company or Winterflood. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of the FSMA and paragraph 3.4 of the Prospectus Rules, neither the delivery of this Prospectus nor any subscription for Ordinary Shares made pursuant to this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained in this document is correct at any time subsequent to, the date of this Prospectus. No statement in this Prospectus is intended as a profit forecast.

The Offer for Subscription and the Placing will remain open until 11.00 a.m. on 14 April 2015 and 12.00 noon on 15 April 2015, respectively. Persons wishing to participate in the Offer for Subscription should complete the Application Form set out in the Appendix to this Prospectus. To be valid, Application Forms must be completed and returned with the appropriate remittance by post, or by hand (during business hours only), to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to be received no later than 11.00 a.m. on 14 April 2015.

The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act (“Regulation S”). In addition, the Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “US Investment Company Act”), and the recipient of this Prospectus will not be entitled to the benefits of that act. This Prospectus should not be distributed into the United States or to US 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 offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or Winterflood. The offer and sale of Ordinary Shares has not been and will not be registered under the applicable securities laws of Australia, Canada or Japan. Subject to certain exemptions, the Ordinary Shares may not be offered to or sold within Australia, Canada or Japan or to any national, resident or citizen of Australia, Canada or Japan.

Capitalised terms have the meanings ascribed to them in Part 10 (Definitions) of this Prospectus.

Without limitation, neither the contents of the Portfolio Manager’s website (or any other website) nor the content of any website accessible from hyperlinks on the Portfolio Manager’s website (or any other website) is incorporated into, or forms part of this Prospectus.

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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. Some Elements are not required to be addressed which means there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted into 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		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
A.1	Warning	This summary should be read as an introduction to this Prospectus. Any decision to invest in the securities should be based on consideration of the document as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable. The Company has not given consent to the use of this Prospectus for subsequent resale or final placement of the Ordinary Shares by financial intermediaries.
Section B – Issuer		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
B.1	Legal and commercial name	Woodford Patient Capital Trust plc
B.2	Domicile and legal form	The Company was incorporated in England and Wales on 26 January 2015 with registered number 09405653 as a public company limited by shares under the Act. The principal legislation under which the Company operates is the Act.
B.5	Group description	Not applicable. The Company is not part of a group and does not have any subsidiaries.
B.6	Major shareholders	As at the Latest Practicable Date, insofar as known to the Company, there are no parties known to have a notifiable interest under English law in the Company’s capital or voting rights. All Shareholders have the same voting rights in respect of the share capital of the Company. Pending the allotment of Ordinary Shares pursuant to the Issue, the Company is controlled by the Portfolio Manager. The Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

B.7	Key financial information	Not applicable. The Company has been newly incorporated and has no historical financial information.
B.8	Key pro forma financial information	Not applicable. No pro forma financial information is included in this Prospectus.
B.9.	Profit forecast	Not applicable. No profit forecast or estimate made.
B.10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The Company has been newly incorporated and has no historical financial information.
B.11	Insufficiency of working capital	Not applicable. The Company is of the opinion that, on the basis that the Minimum Net Proceeds are raised, the working capital available to it is sufficient for its present requirements, that is for at least 12 months from the date of this Prospectus.
B.34	Investment objective and policy	<p><i>Investment objective</i></p> <p>The Company's investment objective is to achieve long-term capital growth through investing in a portfolio consisting predominantly of UK Companies, both quoted and unquoted.</p> <p>The Company will aim to deliver a return in excess of 10 per cent. per annum⁽¹⁾ over the longer term.</p> <p><i>Investment policy</i></p> <p><i>Asset allocation and risk diversification</i></p> <p>The Company will invest in a diversified portfolio consisting predominantly of UK Companies, both quoted and unquoted.</p> <p>The Company will invest in:</p> <ul style="list-style-type: none"> • mid and large-capitalisation listed, mature companies; • Early-Growth Companies, which are typically quoted although may be unquoted companies; and • Early-Stage Companies, which are likely to include both quoted and unquoted companies. <p>Initially, the Company is expected to have a portfolio that is dominated by mid and large-capitalisation listed, mature companies that offer growth opportunities. It may also have an allocation to cash, pending investment in Early-Stage Companies and Early-Growth Companies. Over time, the exposure to Early-Stage Companies and Early-Growth Companies is expected to gradually build. This process is anticipated to take one to two years from Admission. In due course, the Company's portfolio is expected to reflect the following breakdown:</p> <ul style="list-style-type: none"> • approximately 25 per cent. invested in mid and large-capitalisation listed, mature companies; • approximately 25 per cent. invested in Early-Growth Companies; and • approximately 50 per cent. invested in Early-Stage Companies, <p>however, the actual portfolio composition at any one time will reflect the opportunities available to the Portfolio Manager, the performance of the underlying investee companies and the maturity of the portfolio.</p>

(1) This is a target only and not a profit forecast and there can be no assurance that it will be met.

		<p>Once fully invested, the Company’s portfolio is expected to consist of 50-100 holdings. The Company may become a significant shareholder in any of the underlying portfolio companies.</p> <p>The Company’s portfolio will be constructed on the basis of an assessment of the fundamental value of individual securities and will not be structured on the basis of sector weightings. The Company’s portfolio is expected to be diversified across a number of sectors and, while there are no specific limits placed on exposure to any one sector, the Company will at all times invest and manage the portfolio in a manner consistent with spreading investment risk.</p> <p><i>Investment restrictions</i></p> <p>The Company will be subject to the following investment restrictions:</p> <ul style="list-style-type: none"> ● investment in unquoted companies will be limited to 60 per cent. of Net Asset Value at the time of investment; ● investment in non-UK Companies will be limited to 30 per cent. of Net Asset Value at the time of investment; ● once fully invested, the Company’s portfolio shall be invested in a minimum of 40 holdings; ● the Company shall not invest more than 10 per cent. of its Net Asset Value at the time of investment in an investee company, save that the Portfolio Manager may make further investments into an investee company subject to an aggregate investment limit in any investee company of 15 per cent. of Net Asset Value at the time of investment; ● the Company may invest in other investment funds, including listed closed-ended investment funds, to gain investment exposure but such investment will be unleveraged and (other than in relation to investment in money market funds for the purposes of cash management) limited, in aggregate, to 10 per cent. of Net Asset Value at the time of investment; and ● in relation to cash management, the Company shall not have exposure of more than 10 per cent. of Net Asset Value, at the time of investment, to any one issuer. <p><i>Definitions</i></p> <p>“UK Companies” means companies incorporated in the United Kingdom or traded on a London Stock Exchange market.</p> <p>“Early-Stage Companies” are typically considered to be pre-revenue and pre-profit. They will still have significant milestones to overcome in order to fulfil their potential as sustaining and cash flow positive businesses. Typical characteristics of businesses at this stage of development include:</p> <ul style="list-style-type: none"> ● strong intellectual property and/or considerable internal know-how to ensure barriers to entry once commercialised; ● board and management consist of founders, entrepreneurs and scientists with the skill and experience required to commercialise the opportunity and address technical, regulatory and commercial hurdles; ● low valuations that reflect the earlier-stage and accompanying risks; ● several future funding rounds anticipated as the business moves towards financial independence;
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		<ul style="list-style-type: none"> risks that are more stock-specific which implies lower correlation with equity markets in general and the wider economy; and may be quoted or unquoted. <p>“Early-Growth Companies” are considered to have overcome some of the earlier challenges, may have achieved commercial breakthroughs and will likely be revenue generating but not yet cash flow positive. They will have started to penetrate a clearly identified market opportunity and have the potential to become mid/large companies in time, as they realise this opportunity. Typical characteristics will include:</p> <ul style="list-style-type: none"> strong intellectual property and technology protected through granted patent-estate, allowing the business to take advantage of a clearly defined market opportunity; board and management team that reflects a broader mix of founders, entrepreneurs and new executive hires with specialist skills to move the business forward, including experienced board members; relative to Early-Stage Companies, higher valuations that reflect the de-risking of the business but still not fully capturing the long-term growth potential; external funding now mainly required for growth and execution (e.g. acquisitions, organic expansion, building distribution/manufacturing scale); risks are becoming less binary and more correlated with equity markets and the wider economy; and likely to be quoted although may be unquoted.
B.35	Borrowing limits	The Company does not intend to deploy long-term gearing but may employ gearing of up to 20 per cent. of Net Asset Value, calculated at the time of borrowing, for the purpose of capital flexibility, including for investment purposes.
B.36	Regulatory status	As an investment trust, the Company is not regulated as a collective investment scheme by the Financial Conduct Authority. However, it is subject to the Listing Rules, Prospectus Rules and the Disclosure and Transparency Rules and the rules of the London Stock Exchange.
B.37	Typical investor	<p>Typical investors for whom an investment in the Company is intended are private investors in the UK and institutional investors seeking long-term capital growth from investment in a portfolio of predominantly UK Companies, including Early-Stage Companies and Early-Growth Companies, some of which may be unquoted.</p> <p>An investment in the Company is only suitable for persons capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from the investment.</p> <p>Potential investors should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. Private investors in the UK who are unsure whether to invest should consider consulting a financial adviser authorised under the Financial Services and Markets Act 2000 to assess whether an investment in the Company is suitable.</p>

B.38	Investment of 20 per cent. or more of gross assets in single underlying asset or investment company	Not applicable. The Company will not invest 20 per cent. or more in a single underlying issuer or investment company.
B.39	Investment of 40 per cent. or more of gross assets in single underlying asset or investment company	Not applicable. The Company will not invest 40 per cent. or more in a single underlying issuer or investment company.
B.40	Applicant's service providers	<p>Portfolio Manager</p> <p>The Company's portfolio manager is Woodford Investment Management LLP, a UK-based investment management firm authorised and regulated by the FCA.</p> <p>Neil Woodford will have primary responsibility for management of the Company's portfolio.</p> <p>The Portfolio Manager has agreed not to receive a management fee from the Company in respect of its services provided under the Portfolio Management Services Agreement. The Portfolio Manager is entitled to receive a performance fee equal to 15 per cent. of any excess returns over a cumulative 10 per cent. per annum hurdle rate, subject to a high watermark. The performance fee is calculated on the following basis.</p> <p>$PF = ((A-B) \times C) \times 15 \text{ per cent.}$</p> <p>Where:</p> <p>PF is the performance fee, if any, payable to the Portfolio Manager;</p> <p>A is the Adjusted NAV per Ordinary Share;</p> <p>B is the higher of: (i) the High Watermark NAV per Ordinary Share and (ii) the Hurdle; and</p> <p>C is the time weighted average number of Ordinary Shares in issue since the last Performance Period in respect of which a performance fee was earned, or if no performance fee has yet been earned, Admission.</p> <p>In the event that A-B is a negative number, it shall be taken to equal zero.</p> <p>For these purposes:</p> <p>"Performance Period" means: (i) the period beginning on the date of Admission and ending on 31 December 2015; and (ii) each subsequent period corresponding to each accounting period of the Company.</p> <p>"Adjusted NAV per Ordinary Share" means the Net Asset Value per Ordinary Share on the last Business Day of each Performance Period, adjusted by adding back any performance fee accrual in respect of such Performance Period.</p> <p>"High Watermark NAV per Ordinary Share" means the Net Asset Value per Ordinary Share as at the last Business Day of the Performance Period in respect of which a performance fee was last earned, adding back the effect of any performance fee paid in respect of such Performance Period (or, if no performance fee has yet been earned, the Issue Price).</p>

	<p>“Hurdle” means the Issue Price increased, from Admission, at a rate of 10 per cent. per annum, compounded annually as at the last Business Day of each Performance Period (pro-rated, in the case of the first Performance Period, from the date of Admission).</p> <p>The High Watermark NAV per Ordinary Share and the Hurdle will be adjusted to reflect the impact on the Adjusted NAV per Ordinary Share from a capital return and/or dividend and/or distribution to Shareholders at the time of such capital return and/or dividend and/or distribution, on a pence per Ordinary Share basis.</p> <p>If at any time a Potential Adjustment Event shall occur, the Portfolio Manager and the Company shall discuss in good faith what adjustment would be appropriate for the purpose of calculation of the performance fee. Failing such agreement, the Company shall instruct the Auditors, or other independent firm of accountants, to report to the Company and the Portfolio Manager regarding any adjustment which in the opinion of the Auditors, or other independent firm of accountants, shall be appropriate to be made for the purpose of the calculation of the performance fee.</p> <p>“Potential Adjustment Event” means, in relation to the Company, every issue by way of capitalisation of profits or reserves and every issue by way of rights or bonus and every consolidation or sub-division or reduction of capital or share premium or capital dividend or redemption of Ordinary Shares, or other reconstruction or adjustment relating to the share capital of the Company (or any shares, stock or securities derived therefrom or convertible thereinto) and also includes any other amalgamation or reconstruction affecting the share capital of the Company (or any shares, stock or securities derived therefrom or convertible thereinto).</p> <p>The performance fee will be calculated on behalf of the Company by the Administrator, based on the audited NAV as at the end of each Performance Period.</p> <p>The Portfolio Manager has agreed that any performance fee payable to it in respect of a given Performance Period shall be satisfied by the issue of new Ordinary Shares at the prevailing NAV at the time of issue, as to 80 per cent., and cash, as to the remaining 20 per cent.</p> <p><i>Manager</i></p> <p>The Company has appointed Capita Financial Managers Limited to act as the Company’s manager for the purposes of the AIFMD. The Manager has delegated portfolio management to the Portfolio Manager.</p> <p>The Manager shall be entitled to receive from the Company, in respect of its services provided under the Management Agreement, a management fee of between 0.0125 per cent. and 0.06 per cent. of Gross Assets, payable monthly in arrears, subject to a minimum fee of £6,250 per month (subject to an annual increase in line with the retail prices index).</p> <p><i>Sponsor, Financial Adviser and Placing Agent</i></p> <p>Winterflood has agreed to act as sponsor to the Issue and to use reasonable endeavours to procure subscribers for Ordinary Shares at the Issue Price pursuant to the Placing.</p> <p>Conditional upon completion of the Issue, Winterflood will be paid a commission by the Company in consideration for its services in relation to the Issue.</p>
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		<p><i>Administrator</i></p> <p>Northern Trust Global Services Limited has been appointed as the administrator of the Company. The Administrator provides the day to day administration of the Company. The Administrator is also responsible for the Company’s general administrative functions, such as the calculation and publication of the Net Asset Value and maintenance of the Company’s accounting records and ensures that the Company complies with its continuing obligations as an investment trust.</p> <p>The aggregate fees payable to the Administrator are not expected to exceed £20,000 per annum (exclusive of VAT), assuming Gross Proceeds of £200 million.</p> <p><i>Company Secretary</i></p> <p>Capita Company Secretarial Services Limited has been appointed as the company secretary of the Company to provide the company secretarial functions required by the Act.</p> <p>The aggregate fees payable to the Company Secretary are expected to be approximately £55,000 per annum (exclusive of VAT).</p> <p><i>Registrar</i></p> <p>Capita Asset Services has been appointed as the Company’s registrar to provide share registration services.</p> <p>The aggregate fees payable to the Registrar are expected to be approximately £7,000 per annum (exclusive of VAT).</p> <p><i>Receiving Agent</i></p> <p>Capita Asset Services has been appointed to provide receiving agent services to the Company in respect of the Issue.</p> <p>Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to customary fees.</p> <p><i>Depositary</i></p> <p>Northern Trust Global Services Limited has been appointed as depositary to provide custody services to the Company.</p> <p>The aggregate fees payable to the Depositary are not expected to exceed £20,000 per annum (exclusive of VAT), assuming Gross Proceeds of £200 million.</p> <p>The ongoing annual expenses of the Company are not expected to exceed 0.35 per cent. of the Gross Proceeds, assuming Gross Proceeds of £200 million, excluding any performance fees that may be payable to the Portfolio Manager and all trading and similar costs associated with making and realising investments.</p>
B.41	Regulatory status of investment manager and custodian	<p>The Portfolio Manager is authorised and regulated by the Financial Conduct Authority and as such is subject to its rules in the conduct of its investment business.</p> <p>The Manager is authorised and regulated by the Financial Conduct Authority and as such is subject to its rules in the conduct of its investment business.</p> <p>The Depositary is authorised by the Prudential Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority.</p>

B.42	Calculation and publication of Net Asset Value	<p>The unaudited estimated Net Asset Value of the Company and the unaudited estimated Net Asset Value per Ordinary Share will be calculated by the Administrator on a daily basis. Such calculations will be notified daily through a Regulatory Information Service and will in due course be available through the Portfolio Manager's website.</p> <p>Any suspension in the calculation of the Net Asset Value will be notified through a Regulatory Information Service as soon as practicable after any such suspension occurs.</p>									
B.43	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.									
B.44	No financial statements have been made up	As at the date of this Prospectus the Company has not yet commenced operations and no financial statements have been made up.									
B.45	Portfolio	Not applicable. The Company has not commenced operations and so has no portfolio as at the date of this Prospectus.									
B.46	Net Asset Value	The Net Asset Value per Ordinary Share at Admission is expected to be 98.5 pence (assuming Gross Proceeds of £200 million).									
Section C – Securities											
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>									
C.1	Type and class of securities	<p>Ordinary Shares of nominal value 1 pence each.</p> <p>The ISIN of the Ordinary Shares is GB00BVG1CF25. The SEDOL of the Ordinary Shares is BVG1CF2.</p> <p>The ticker for the Ordinary Shares is WPCT.</p>									
C.2	Currency denomination of securities	The Ordinary Shares will be denominated in sterling.									
C.3	Details of share capital	<p>The Issue is for a target issue of 200 million Ordinary Shares. The actual number of Ordinary Shares to be issued pursuant to the Issue, and therefore the Gross Proceeds, are not known as at the date of this Prospectus but will be notified by the Company via a Regulatory Information Service announcement prior to Admission. If the Minimum Net Proceeds are not raised, the Issue will not proceed.</p> <p>Set out below is the issued share capital of the Company as at the date of this Prospectus:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;">Aggregate Nominal Value (£)</th> <th style="text-align: right;">Number</th> </tr> </thead> <tbody> <tr> <td>Redeemable shares of 100 pence each</td> <td style="text-align: right;">50,000</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>Ordinary Shares</td> <td style="text-align: right;">0.01</td> <td style="text-align: right;">1</td> </tr> </tbody> </table> <p>The redeemable shares are paid up as to one quarter of their nominal value and will be redeemed immediately following Admission out of the proceeds of the Issue. The Ordinary Share is fully paid up.</p>		Aggregate Nominal Value (£)	Number	Redeemable shares of 100 pence each	50,000	50,000	Ordinary Shares	0.01	1
	Aggregate Nominal Value (£)	Number									
Redeemable shares of 100 pence each	50,000	50,000									
Ordinary Shares	0.01	1									

C.4	Rights attaching to the securities	<p>The holders of the Ordinary Shares are entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares.</p> <p>The holders of Ordinary Shares shall be entitled to all of the Company's net assets.</p> <p>The Ordinary Shares shall carry the right to receive notice of, attend and vote at general meetings of the Company.</p> <p>The consent of the holders of Ordinary Shares will be required for the variation of any rights attached to the Ordinary Shares.</p>
C.5	Restrictions on the free transferability of the securities	There are no restrictions on the free transferability of the Ordinary Shares.
C.6	Admission	Application will be made to the UK Listing Authority and the London Stock Exchange for all of the Ordinary Shares now being offered to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings for normal settlement in the Ordinary Shares will commence on 21 April 2015.
C.7.	Dividend policy	<p>The Directors intend to manage the Company's affairs to achieve Shareholder returns through capital growth rather than income. Therefore, it should not be expected that the Company will pay a significant annual dividend.</p> <p>As at the date of this Prospectus, regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011 provides that, subject to certain exceptions, an investment trust may not retain more than 15 per cent. of its income in respect of each accounting period. Accordingly, the Company may declare an annual dividend from time to time for the purpose of seeking to maintain its status as an investment trust.</p>
Section D – Risks		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
D.2.	Key risks that are specific to the Company	<ul style="list-style-type: none"> • The Company has no operating history. • The Company has no employees and is reliant on the performance of third party service providers. Failure by the Portfolio Manager or any other third party service provider to perform in accordance with the terms of its appointment could have a material detrimental impact on the operation of the Company. • There can be no guarantee that the investment objective of the Company will be achieved. • The Company is expected to invest a significant proportion of its assets in Early-Stage Companies and Early-Growth Companies which, by their nature, may be smaller capitalisation companies. Such companies may not have the financial strength, diversity and resources of larger and more established companies and may find it more difficult to operate, especially in periods of low economic growth. The market in the shares of such companies may be less liquid and, as a consequence, their share price may be more volatile than investments in larger companies.

		<ul style="list-style-type: none"> • The Company is expected to invest a significant proportion of its assets in unquoted securities, which may be less liquid and more difficult to realise than publicly traded securities. • The departure of some or all of the Portfolio Manager's investment professionals could prevent the Company from achieving its investment objective. In particular, Neil Woodford is considered a key individual as the fund manager principally responsible for the management of the Company's assets. The past performance of the Portfolio Manager's investment professionals cannot be relied upon as an indication of the future performance of the Company. • Any change in the Company's tax status or in taxation legislation or practice generally could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders, or alter the post-tax returns to Shareholders.
D.3	Risks that are specific to the Ordinary Shares	<ul style="list-style-type: none"> • The value of the Ordinary Shares and the income derived from those shares (if any) can fluctuate and may go down as well as up. • The market price of the Ordinary Shares may fluctuate independently of their underlying net asset value and may trade at a discount or premium at different times. • The Directors are under no obligation to effect repurchases of Ordinary Shares. Shareholders wishing to realise their investment in the Company may have to dispose of their Ordinary Shares in the market. • It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Ordinary Shares.
Section E – Offer for Subscription		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
E.1	Proceeds and expenses of the Issue	<p>The net proceeds of the Issue are dependent on the level of subscriptions received pursuant to the Issue. Assuming Gross Proceeds of £200 million, the net proceeds of the Issue will be approximately £197 million.</p> <p>The costs and expenses of the Issue are not expected to exceed approximately £3 million, equivalent to 1.5 per cent. of the Gross Proceeds, assuming Gross Proceeds of £200 million, and will be borne by investors.</p> <p>No expenses will be charged to investors by the Company.</p>
E.2a	Reasons for the Issue, use of proceeds and estimated net amount of proceeds	<p>The Board, as advised by the Portfolio Manager, believes that there are attractive opportunities for the Company to deliver attractive long-term capital growth for Shareholders through exposure to a portfolio of predominantly United Kingdom-based companies.</p> <p>The estimated net proceeds of the Issue are approximately £197 million assuming the target Gross Proceeds of £200 million are raised. The Directors intend to use the net proceeds of the Issue to acquire investments in accordance with the Company's investment objective and policy.</p>

E.3	Terms and conditions of the Issue	<p>The Issue is conditional upon:</p> <ul style="list-style-type: none"> • admission of the Ordinary Shares to be issued pursuant to the Issue to the Official List and to trading on the main market of the London Stock Exchange occurring on or before 8.00 a.m. (London time) on 21 April 2015 (or such time and/or date as the Company and Winterflood may agree, being not later than 31 May 2015); • the Placing and Offer Agreement between the Company, the Portfolio Manager, the Directors and Winterflood (pursuant to which Winterflood has been appointed sponsor and placing agent to the Company in respect of the Issue) becoming otherwise unconditional in all respects (save for conditions relating to Admission) and not having been terminated in accordance with its terms before Admission; and • the Minimum Net Proceeds (or such lesser amount as the Directors, the Portfolio Manager and Winterflood may agree) being raised.
E.4	Material interests	Not applicable. There are no interests that are material to the Issue and no conflicting interests.
E.5	Name of person selling securities/ lock-up agreements	<p>Not applicable. No person or entity is offering to sell Ordinary Shares as part of the Issue.</p> <p>Pursuant to the Lock-In Agreement, the Portfolio Manager has agreed that it will not sell, grant options over or otherwise dispose of any interest in any Ordinary Shares issued to it in satisfaction of its entitlement to a performance fee (save in certain circumstances, including: (i) in order to pay any tax liabilities of the Portfolio Manager, its members or any person who accedes to the agreement for the purpose of giving the undertakings therein, arising in connection with the award to it of any performance fees (including such Performance Fee Shares); (ii) in acceptance of a general offer made for the entire issued and to be issued share capital of the Company; or (iii) pursuant to an intervening court order or as required by any other competent authority) prior to the first anniversary of the date of issue of the relevant Performance Fee Shares.</p> <p>The Portfolio Manager has agreed to procure that, where the Portfolio Manager directs that any Performance Fee Shares be issued to any person other than the Portfolio Manager, it shall procure that such person accede to the terms of the Lock-In Agreement as a condition precedent to any such issue of Performance Fee Shares.</p>
E.6	Dilution	Not applicable. No dilution will result from the Issue.
E.7	Estimated expenses charged to the investor by the issuer	<p>The costs and expenses of the Issue will be borne by the Company and are not expected to exceed approximately £3 million. These costs will be deducted from the Gross Proceeds. It is expected that the starting Net Asset Value per Ordinary Share will be 98.5 pence (assuming Gross Proceeds of £200 million).</p> <p>No expenses will be charged to investors by the Company.</p>

RISK FACTORS

Investment in the Company should not be regarded as short-term in nature and involves a degree of risk. Accordingly, investors should consider carefully all of the information set out in this Prospectus and the risks attaching to an investment in the Company, including, in particular, the risks described below. An investment in the Ordinary Shares is suitable for private investors in the UK and institutional investors seeking long term capital growth from investment in a portfolio of predominantly UK Companies, including Early-Stage Companies and Early-Growth Companies, some of which may be unquoted, who understand and 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 equal the whole amount invested) that may result from such an investment.

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

Risks relating to the Company and its investment strategy

The Company may not meet its investment objective

The Company may not achieve its investment objective. Meeting that objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.

The success of the Company will depend on the Portfolio Manager's ability to identify and realise investments in accordance with the Company's investment policy. This, in turn, will depend on the ability of the Portfolio Manager to apply its investment approach in a way which is capable of identifying suitable investments for the Company to invest in. The Portfolio Manager's investment strategy involves taking a long-term approach in relation to investment management. There can be no assurance that the Portfolio Manager will be successful in implementing its investment strategy or that the Company will generate investment returns for Shareholders or indeed avoid investment losses.

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

The Company has no operating history

The Company was incorporated on 26 January 2015. The Company has not commenced operations and has no operating history. No historical financial statements or other meaningful operating or financial data upon which prospective investors may base an evaluation of the likely performance of the Company have been made up. An investment in the Company is therefore subject to all the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its investment objective and that the value of an investment in the Company could decline substantially as a consequence.

The effects of both normal market fluctuations and the ongoing effects of the recent global economic crisis may impact the Company's business, operating results or financial condition

These are factors which are outside the Company's control and which may affect the volatility of underlying asset values and the liquidity and the value of the Company's portfolio. Changes in economic conditions in the United Kingdom, where the Company will predominantly invest, or elsewhere (for example, interest rates and rates of inflation, industry conditions, competition, political and diplomatic events and other factors) could substantially and adversely affect the Company's prospects.

Global financial markets recently experienced considerable deterioration and volatility in valuations, a contraction in the availability of credit and the failure of a number of leading financial institutions. As a result, certain government bodies and central banks worldwide have undertaken intervention programmes, the effects of which continue to cause uncertainty. These and any similar macroeconomic developments could negatively affect the returns achievable by the Company, which could prejudice the Company's ability to generate returns for Shareholders.

The Company is reliant on the performance of third party service providers

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company is reliant upon the performance of third party service providers for its executive function. In particular, the Portfolio Manager, the Manager and the Administrator will be performing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, together with a failure by the Company to enforce such terms, could have a materially detrimental impact on the operation of the Company.

The past performance of other investments managed or advised by the Portfolio Manager or the Portfolio Manager's investment professionals cannot be relied upon as an indicator of the future performance of the Company.

Investor returns will be dependent upon the performance of the portfolio and the Company may experience fluctuations in its operating results

Investors contemplating an investment in the Ordinary Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant primarily upon the performance of the portfolio. No assurance is given, express or implied, that Shareholders will receive back the amount of their original investment in the Ordinary Shares.

The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of investments made by the Company, changes in the amount of distributions, dividends or interest paid by companies in the portfolio, changes in the Company's operating expenses and the operating expenses of the Portfolio Manager, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which the Company encounters competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the Ordinary Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period.

Changes in laws or regulations governing the Company's operations may adversely affect the Company's business

The Company is subject to laws and regulations enacted by national and local governments. In particular, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to listed closed-ended investment companies. The Company must comply with the Listing Rules for premium listed equity securities and the Disclosure and Transparency Rules.

Any change in the law and regulation affecting the Company may have a material adverse affect on the ability of the Company to carry on its business and successfully pursue its investment policy and on the value of the Company and the Ordinary Shares. In such event, the investment returns of the Company may be materially adversely affected.

Currency risk

The Ordinary Shares are quoted in sterling. The assets of the Company may be invested in securities which are denominated in currencies other than sterling. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Company has the ability to utilise derivative instruments when required to hedge against declines in the value of its portfolio as a result of changes in currency exchange rates but the success of any such hedging cannot be guaranteed.

Risks relating to the Portfolio Manager

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

The Company depends on the diligence, skill, judgement and business contacts of the Portfolio Manager's investment professionals and the information and deal flow they generate during the normal course of their activities. In particular, Neil Woodford is considered a key individual as the fund manager principally responsible for the management of the Company's assets. The Company's future success depends on the continued service of these individuals (or their replacements from time to time) who are not obligated to remain employed with the Portfolio Manager, and the Portfolio Manager's ability to recruit, retain and motivate new talented personnel. However, the Portfolio Manager may not be successful in its efforts to recruit, retain and motivate the required personnel as the market for qualified investment professionals is competitive.

There can be no assurance that the Directors will be able to find a replacement portfolio manager if the Portfolio Manager resigns

Under the terms of the Portfolio Management Services Agreement, the Portfolio Manager may resign by giving the Manager not less than three months' written notice, such notice not to expire earlier than the third anniversary of Admission. The Portfolio Manager shall, from the date such resignation takes effect, cease to make investment decisions on behalf of the Company. The Directors would, in these circumstances, have to find a replacement portfolio manager for the Company and there can be no assurance that such a replacement with the necessary skills and experience could be appointed on terms acceptable to the Company. In this event, the Directors would have to formulate and put forward to Shareholders proposals for the future of the Company, which may include its merger with another investment company, reconstruction or winding up.

The Portfolio Manager may allocate some of its resources to activities in which the Company is not engaged, which could have a negative impact on the Company's ability to achieve its investment objective

The Portfolio Manager is not required to commit all of its resources to the Company's affairs. Insofar as the Portfolio Manager devotes resources to its responsibilities to other business interests, its ability to devote resources and attention to the Company's affairs will be limited. This could adversely affect the Company's ability to achieve its investment objective, which could have a material adverse effect on the Company's profitability, Net Asset Value and share price.

The Portfolio Manager and its affiliates may provide services to other clients which could compete directly or indirectly with the activities of the Company and may be subject to conflicts of interest in respect of its activities on behalf of the Company

The Portfolio Manager and its affiliates are involved in other financial, investment and professional activities which may on occasion give rise to conflicts of interest with the Company. In particular, the Portfolio Manager manages funds other than the Company and may provide investment management, investment advisory or other services in relation to these funds or future funds which may have similar investment policies to that of the Company.

The Portfolio Manager and its affiliates may carry on investment activities for their own accounts and for other accounts in which the Company has no interest. The Portfolio Manager and its affiliates also provide management services to other clients, including other collective investment vehicles. The Portfolio Manager and its affiliates may give advice and recommend securities to other managed accounts or investment funds which may differ from advice given to, or investments recommended or bought for, the Company, even though their investment policies may be similar.

Any such account or fund and/or the Portfolio Manager or any of its affiliates, officers or employees whether acting for their own account or the account of any other person may, where the Portfolio Manager considers it appropriate, co-invest alongside the Company in an investment. Any such co-investment may be on the same or on different terms to any contemporaneous investment by the Company.

Performance fees

The Portfolio Manager will not receive a management fee in respect of its portfolio management services to the Company. The Portfolio Manager will become entitled to a performance fee subject to meeting certain performance thresholds. The potential for a performance fee to be payable under the Portfolio Management Services Agreement may create an incentive for the Portfolio Manager to make riskier or more speculative investments than it would otherwise make in the absence of such fee.

Risks relating to the Company's portfolio

Early-Stage Companies, Early-Growth Companies and smaller capitalisation companies

The Company is expected to invest a significant proportion of its assets in, and expects to have a long-term focus on, Early-Stage Companies and Early-Growth Companies which, by their nature, may be smaller capitalisation companies. Early-Stage Companies, Early-Growth Companies and smaller capitalisation companies can be expected to have less mature businesses, a more restricted depth of management and a higher risk profile than larger and more established companies. As Early-Stage Companies, Early-Growth Companies and smaller capitalisation companies often do not have the financial strength, diversity and resources of larger and more established companies, they may find it more difficult to operate successfully, especially in periods of low economic growth. The risk of bankruptcy of such companies is generally higher and it can be more challenging to access publicly available information in respect of such companies. Early-Stage Companies, Early-Growth Companies and smaller capitalisation companies are more likely to

depend on the management talents of a founder or small group of persons and, if any such persons were to cease to be involved in the management or support of the relevant company, this could have a material adverse impact on their businesses and prospects and the value of the investments in them made by the Company.

In addition, the relatively small capitalisation of Early-Stage Companies and Early-Growth Companies could cause the market in their shares to be less liquid and, as a consequence, their share price may be more volatile than may be the case with investments in larger companies. The Company is expected to invest a significant proportion of its assets in securities that are not readily tradable, which may make it difficult for the Company to sell its investments and may lead to volatility in the market price of Ordinary Shares in the Company. Investors should not expect that the Company will necessarily be able to realise, within a period which they would otherwise regard as reasonable, its investments and any such realisations that may be achieved may be at a considerably lower price than prevailing valuations or indicative market prices. There can therefore be no guarantee that any realisation of an investment will be on a basis which necessarily reflects the valuation of that investment.

Unquoted securities

The Company is expected to invest a significant proportion of its assets in unquoted securities, which may be less liquid and more difficult to realise than publicly traded securities. The illiquidity of such investments may make it difficult for the Company to sell them if the need arises and may result in the Company realising significantly less than the value at which it had previously recorded such investments.

Valuation risk

It is expected that a significant proportion of the Company's portfolio will comprise unquoted securities. Such investments can be more difficult to value than quoted securities. The Company's investments in unquoted securities will be valued in accordance with the valuation policy adopted by the Board from time to time. Such valuations may be conducted on an infrequent basis, are subject to a range of uncertainties and will involve the Portfolio Manager exercising judgement. There can be no guarantee that the basis of calculation of the value of the Company's investments used in the valuation process will reflect the actual value achievable on realisation of those investments. This may lead to volatility in the valuation of the unquoted proportion of the Company's portfolio and, as a result, volatility in the price of Ordinary Shares. Furthermore, the Portfolio Manager is entitled to receive a performance fee for its services to the Company which is based, in part, on the value of the Company's investments. This creates a potential conflict of interest as the Portfolio Manager will have involvement in the valuation of the Company's investments.

Sectoral diversification

The Company is not constrained to specific weightings to any sector. Although the Company's portfolio is expected to be diversified across a number of sectors, the lack of such a constraint may lead to the Company having significant exposure (or no exposure) to portfolio companies from certain business sectors from time to time. Greater concentration of investments in any one sector may result in greater volatility in the value of the Company's investments and consequently its Net Asset Value and may materially and adversely affect the performance of the Company and returns to the Shareholders.

Risks associated with borrowings

The Company may use borrowings for the purpose of capital flexibility, which may include seeking to enhance investment returns where the Portfolio Manager believes that it is in the interests of Shareholders to do so. While the use of borrowings should enhance the total return of the Company where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's underlying assets is rising at a lower rate than the cost of borrowing or is falling, further reducing the total return of the Company. As a result, the use of borrowings by the Company may increase the volatility of the Net Asset Value and could affect the ability of the Company to achieve its investment objective.

Cash

A proportion of the Company's portfolio may be held in cash, depending on the Portfolio Manager's view on investment opportunities, from time to time. This proportion of the Company's assets will not be invested and will not benefit from positive market movements.

No benchmark

The Company will not measure its performance against any benchmark. Accordingly, the portfolio of investments held by the Company will not be constructed intentionally to mirror the stocks and weightings that constitute any particular index or indices, which may lead to the Ordinary Shares failing to follow either the direction or extent of any moves in the financial markets generally (which may or may not be to the advantage of Shareholders). The Ordinary Shares are an unsuitable investment for those who seek investments in some way correlated to a stock market index.

Risks relating to taxation

Investment trust status

It is the intention of the Directors to apply to HMRC for, and to conduct the affairs of the Company so as to satisfy the conditions for, approval as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010. A failure to obtain or maintain HMRC approval as an investment trust, including as a result of a change in tax law or practice could result in the Company not being able to benefit from the current exemption for investment trusts from UK tax on chargeable gains and could affect the Company's ability to provide returns to Shareholders. It is not possible to guarantee that the Company will remain non-close, which is a requirement to obtain and maintain its status as an investment trust, as the Ordinary Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for approval as an investment trust, will, as soon as reasonably practicable, notify Shareholders of this fact.

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

Changes in taxation legislation or practice could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders, and affect the tax treatment for Shareholders of their investments in the Company (including rates of tax and availability of reliefs).

Investors should consult their tax advisers with respect to their own particular tax circumstances and the tax effects of an investment in the Company. Statements in this Prospectus concerning the taxation of investors or prospective investors in Ordinary Shares are based upon current tax law and practice, each of which is, in principle, subject to change. The value of particular tax reliefs, if available, will depend on each individual Shareholder's circumstances. This Prospectus does not constitute tax advice and must not therefore be treated as a substitute for independent tax advice.

Risks relating to the Ordinary Shares

General risks affecting the Ordinary Shares

The value of an investment in the Company, and the income derived from it, if any, may go down as well as up and an investor may not get back the amount invested.

The market price of the Ordinary Shares, like shares in all investment companies, may fluctuate independently of their underlying net asset value and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Ordinary Shares, market conditions and general investor sentiment. There can be no guarantee that any discount control policy will be successful or capable of being implemented. The market value of an Ordinary Share may vary considerably from its NAV.

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

The price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its investments and some which may affect companies generally. Admission should not be taken as implying that there will be a liquid market for the Ordinary Shares. The market price of the Ordinary Shares may not reflect their underlying Net Asset Value.

While the Directors retain the right to effect repurchases of Ordinary Shares in the manner described in this Prospectus, they are under no obligation to use such powers or to do so at any time and Shareholders should not place any reliance on the willingness of the Directors so to act. Shareholders wishing to realise their investment in the Company may have to dispose of their Ordinary Shares in the market. There can be no guarantee that a liquid market in the Ordinary Shares will develop or that the Ordinary Shares will

trade at prices close to their underlying Net Asset Value. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value or at all.

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

The Ordinary Shares are subject to certain provisions that may cause the Board to refuse to register, or require the transfer of, Ordinary Shares

Although the Ordinary Shares are freely transferable, there are certain circumstances in which the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of the Ordinary Shares. These circumstances include where the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as "plan assets" of any Benefit Plan Investor; (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to be registered or qualified under the US Investment Company Act and/or the US Investment Advisers Act of 1940 and/or the Securities Act and/or the US Exchange Act of 1934 and/or any similar legislation (in any jurisdiction) that regulates the offering and sale of securities; (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the US Exchange Act of 1934; (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the US Tax Code; or (v) may cause the Company to become subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction, or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligation).

Dilution risk

The Directors have been authorised to issue such number of Ordinary Shares as is equal to 10 per cent. of the Ordinary Shares in issue immediately following the Issue, without the application of pre-emption rights. In addition, the Directors have been authorised to issue Ordinary Shares in connection with any performance fees payable to the Portfolio Manager, without the application of pre-emption rights. Any further issues of Ordinary Shares may dilute the voting rights and economic interests of existing Shareholders in the Company.

IMPORTANT NOTICES

General

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

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

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

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

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

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

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

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

The Ordinary Shares are being offered and issued outside the United States in reliance on Regulation S. The Ordinary Shares have not been nor will be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States. In addition, the Company has not registered and will not register under the US

Investment Company Act. The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering or the issue of the Ordinary Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States and the re-offer or resale of any of the Ordinary Shares in the United States may constitute a violation of US law.

Each applicant for Ordinary Shares will be required to certify that, among other things, the offer of Ordinary Shares was made to it, and at the time its buy order was originated, it was located outside the United States and that it is not a US Person (within the meaning of Regulation S).

Notice to prospective investors in the European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), no Ordinary Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Relevant Member State, or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Ordinary Shares to the public may be made at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- (a) to any legal entity which is a “qualified investor” as defined in the Prospectus Directive;
- (b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined hereafter), 150 natural or legal persons (other than “qualified investors” as defined in the Prospectus Directive) in such Relevant Member State; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires any Ordinary Shares or to whom any offer is made under the Offer for Subscription will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive.

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

Notice to prospective investors in Guernsey

The Placing and Offer for Subscription that is referred to in this Prospectus is available, and is and may be made, in or from within the Bailiwick of Guernsey, and this Prospectus is being provided in or from within the Bailiwick of Guernsey only:

- (i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended); or
- (ii) to persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended), the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended) or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended).

The Placing and Offer for Subscription referred to in this Prospectus and this Prospectus are not available in or from within the Bailiwick of Guernsey other than in accordance with paragraphs (i) and (ii) above and must not be relied upon by any person unless made or received in accordance with such paragraphs.

Notice to prospective investors in 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 into 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.

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

Forward-looking statements

This Prospectus contains forward-looking statements including, without limitation, statements containing the words “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variation or similar expressions. Such forward-looking statements involve unknown risk, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company, or industry results, to be materially different from future results, financial condition, performance or achievements expressed or implied by such forward-looking statements.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this Prospectus. Subject to its legal and regulatory obligations, the Company expressly disclaims any obligation to update or revise any forward-looking statement contained herein to reflect changes in expectations with regard thereto or any change in events, conditions, or circumstances on which any statement is based, unless required to do so by law or any appropriate regulatory authority, including FSMA, the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 10 of Part 7 of this Prospectus.

EXPECTED TIMETABLE

2015

Publication of this Prospectus and commencement of the Offer for Subscription	24 February
Latest time and date for applications under the Offer for Subscription	11.00 a.m. on 14 April
Latest time and dates for commitments under the Placing	12.00 noon on 15 April
Publication of results of the Placing and the Offer for Subscription (through a Regulatory Information Service)	16 April
Admission and dealings in Ordinary Shares commence	21 April
CREST accounts credited with uncertificated Ordinary Shares	21 April
Where applicable, definitive share certificates despatched by post in the week commencing	27 April

Any changes to the expected timetable set out above will be notified by the Company through a Regulatory Information Service

All references to times in this Prospectus are to London times.

ISSUE STATISTICS

Issue Price	100 pence per Ordinary Share
Gross Proceeds of the Issue*	£200 million
Estimated net proceeds of the Issue to be received by the Company*	£197 million
Expected Net Asset Value per Ordinary Share on Admission*	98.5 pence

* Assuming that the Issue is subscribed as to 200 million Ordinary Shares. The Issue is for a target issue of 200 million Ordinary Shares. The number of Ordinary Shares issued and to be issued pursuant to the Issue, and therefore the Gross Proceeds and the net proceeds of the Issue, is not known as at the date of this Prospectus but will be notified by the Company via a Regulatory Information Service prior to Admission. The Issue will not proceed if the Minimum Net Proceeds are not raised. If the Issue does not proceed, subscription monies received will be returned without interest at the risk of the applicant.

DEALING CODES

The dealing codes for the Ordinary Shares will be as follows:

ISIN	GB00BVG1CF25
SEDOL	BVG1CF2
Ticker	WPCT

DIRECTORS, PORTFOLIO MANAGER AND ADVISERS

Directors	Susan Jane Searle (<i>Chairman</i>) Scott Brown Steven Harris Dame Pamela Louise Makin <i>all of the registered office below</i>
Registered Office	40 Dukes Place London EC3A 7NH United Kingdom
Portfolio Manager	Woodford Investment Management LLP 9400 Garsington Road Oxford OX4 2HN United Kingdom
Sponsor, Financial Adviser and Placing Agent	Winterflood Securities Limited The Atrium Building Cannon Bridge House 25 Dowgate Hill London EC4R 2GA United Kingdom
Manager	Capita Financial Managers Limited 40 Dukes Place London EC3A 7NH United Kingdom
Company Secretary	Capita Company Secretarial Services Limited 40 Dukes Place London EC3A 7NH United Kingdom
Administrator	Northern Trust Global Services Limited 50 Bank Street Canary Wharf London E14 5NT United Kingdom
Depository	Northern Trust Global Services Limited 50 Bank Street Canary Wharf London E14 5NT United Kingdom
Legal Adviser to the Company	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH United Kingdom

Legal Adviser
*to the Sponsor, Financial Adviser
and Placing Agent*

Wragge Lawrence Graham & Co LLP
4 More London Riverside
London
SE1 2AU
United Kingdom

**Auditors and
Reporting Accountants**

Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU
United Kingdom

Registrar

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU
United Kingdom

Receiving Agent

Capita Asset Services
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU
United Kingdom

PART 1

HIGHLIGHTS

- **Compelling opportunity** – Woodford believes that the lack of long-term patient equity capital has created a compelling opportunity to invest in businesses with outstanding intellectual property.
- **Unique portfolio** – the Company’s portfolio will represent a mix of Woodford’s high conviction blue-chip ideas together with exposure to Early-Stage Companies and Early-Growth Companies.
- **Innovative fee structure** – Woodford will not receive a management fee from the Company for its services and will only be awarded a fee based on performance. The majority of any performance fee will be payable in Ordinary Shares⁽¹⁾ further aligning the Portfolio Manager’s interests with Shareholders.
- **Attractive target returns** – the Company will aim to deliver a return in excess of 10 per cent. per annum⁽²⁾ over the longer term.
- **Diversified portfolio** – once fully invested, the Company’s portfolio is expected to consist of 50-100 holdings with exposure to Early-Stage Companies and Early-Growth Companies growing over time.
- **Portfolio Manager** – the Portfolio Manager specialises in managing UK and global equities for retail and institutional investors. The Portfolio Manager had £9.3 billion of assets under management as at 31 January 2015, including £4.7 billion of assets in the Portfolio Manager’s CF Woodford Equity Income Fund.
- **Portfolio management team** – Neil Woodford, one of the most respected fund managers in the UK, will have principal responsibility for the management of the Company’s portfolio. Neil will be supported by a team of investment professionals including Stephen Lamacraft, Saku Saha and Paul Lamacraft.

(1) 80 per cent. of any performance fee will be paid in Ordinary Shares with 20 per cent. being paid in cash to contribute towards any tax liability of the Portfolio Manager associated with the performance fee.

(2) This is a target only and not a profit forecast and there can be no assurance that it will be met.

PART 2

INFORMATION ON THE COMPANY

1. Introduction

The Company is a closed-ended investment company incorporated in England and Wales on 26 January 2015. The Company intends to carry on business as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

Ordinary Shares are available to investors through the Placing and Offer for Subscription, in both cases at 100 pence per Ordinary Share.

The Company's manager will be Capita Financial Managers Limited (the "**Manager**") which will delegate portfolio management to Woodford Investment Management LLP (the "**Portfolio Manager**"). The Portfolio Manager will provide discretionary portfolio management services in relation to the Company's portfolio. Neil Woodford will have primary responsibility for management of the portfolio. Further information on the investment proposition is set out in Part 3 of this Prospectus. Further information on the Portfolio Manager, and the investment team responsible for the management of the Company's portfolio, is set out in Part 4 of this Prospectus.

Application will be made to the UK Listing Authority and the London Stock Exchange for all of the Ordinary Shares of the Company, issued and to be issued pursuant to the Issue, to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings for normal settlement in the Ordinary Shares will commence on 21 April 2015.

2. Investment objective

The Company's investment objective is to achieve long-term capital growth through investing in a portfolio consisting predominantly of UK Companies, both quoted and unquoted.

The Company will aim to deliver a return in excess of 10 per cent. per annum⁽¹⁾ over the longer term.

3. Investment policy

Asset allocation and risk diversification

The Company will invest in a diversified portfolio consisting predominantly of UK Companies, both quoted and unquoted.

The Company will invest in:

- mid and large-capitalisation listed, mature companies;
- Early-Growth Companies, which are typically quoted although may be unquoted companies; and
- Early-Stage Companies, which are likely to include both quoted and unquoted companies.

Initially, the Company is expected to have a portfolio that is dominated by mid and large-capitalisation listed, mature companies that offer growth opportunities. It may also have an allocation to cash, pending investment in Early-Stage Companies and Early-Growth Companies. Over time, the exposure to Early-Stage Companies and Early-Growth Companies is expected to gradually build. This process is anticipated to take one to two years from Admission. In due course, the Company's portfolio is expected to reflect the following breakdown:

- approximately 25 per cent. invested in mid and large-capitalisation listed, mature companies;
- approximately 25 per cent. invested in Early-Growth Companies; and
- approximately 50 per cent. invested in Early-Stage Companies,

however, the actual portfolio composition at any one time will reflect the opportunities available to the Portfolio Manager, the performance of the underlying investee companies and the maturity of the portfolio.

(1) This is a target only and not a profit forecast and there can be no assurance that it will be met.

Once fully invested, the Company's portfolio is expected to consist of 50-100 holdings. The Company may become a significant shareholder in any of the underlying portfolio companies.

The Company's portfolio will be constructed on the basis of an assessment of the fundamental value of individual securities and will not be structured on the basis of sector weightings. The Company's portfolio is expected to be diversified across a number of sectors and, while there are no specific limits placed on exposure to any one sector, the Company will at all times invest and manage the portfolio in a manner consistent with spreading investment risk.

Investment restrictions

The Company will be subject to the following investment restrictions:

- investment in unquoted companies will be limited to 60 per cent. of Net Asset Value at the time of investment;
- investment in non-UK Companies will be limited to 30 per cent. of Net Asset Value at the time of investment;
- once fully invested, the Company's portfolio shall be invested in a minimum of 40 holdings;
- the Company shall not invest more than 10 per cent. of its Net Asset Value at the time of investment in an investee company, save that the Portfolio Manager may make further investments into an investee company subject to an aggregate investment limit in any investee company of 15 per cent. of Net Asset Value at the time of investment;
- the Company may invest in other investment funds, including listed closed-ended investment funds, to gain investment exposure but such investment will be unleveraged and (other than in relation to investment in money market funds for the purposes of cash management) limited, in aggregate, to 10 per cent. of Net Asset Value at the time of investment; and
- in relation to cash management, the Company shall not have exposure of more than 10 per cent. of Net Asset Value, at the time of investment, to any one issuer.

Definitions

"UK Companies" means companies incorporated in the United Kingdom or traded on a London Stock Exchange market.

"Early-Stage Companies" are typically considered to be pre-revenue and pre-profit. They will still have significant milestones to overcome in order to fulfil their potential as sustaining and cash flow positive businesses. Typical characteristics of businesses at this stage of development include:

- strong intellectual property and/or considerable internal know-how to ensure barriers to entry once commercialised;
- board and management consist of founders, entrepreneurs and scientists with the skill and experience required to commercialise the opportunity and address technical, regulatory and commercial hurdles;
- low valuations that reflect the earlier-stage and accompanying risks;
- several future funding rounds anticipated as the business moves towards financial independence;
- risks that are more stock-specific which implies lower correlation with equity markets in general and the wider economy; and
- may be quoted or unquoted.

"Early-Growth Companies" are considered to have overcome some of the earlier challenges, may have achieved commercial breakthroughs and will likely be revenue generating but not yet cash flow positive. They will have started to penetrate a clearly identified market opportunity and have the potential to become mid/large companies in time, as they realise this opportunity. Typical characteristics will include:

- strong intellectual property and technology protected through granted patent-estate, allowing the business to take advantage of a clearly defined market opportunity;
- board and management team that reflects a broader mix of founders, entrepreneurs and new executive hires with specialist skills to move the business forward, including experienced board members;

- relative to Early-Stage Companies, higher valuations that reflect the de-risking of the business but still not fully capturing the long-term growth potential;
- external funding now mainly required for growth and execution (e.g. acquisitions, organic expansion, building distribution/manufacturing scale);
- risks are becoming less binary and more correlated with equity markets and the wider economy; and
- likely to be quoted, although may be unquoted.

Borrowing

The Company does not intend to deploy long-term gearing but may employ gearing of up to 20 per cent. of Net Asset Value, calculated at the time of borrowing, for the purpose of capital flexibility, including for investment purposes.

The Board will oversee the level of gearing in the Company, and will review the position with the Portfolio Manager on a regular basis.

Hedging

The Company may use derivatives for the purposes of hedging any currency risk to which the Company may be subject but will not use derivatives for investment purposes.

Cash management

While it is intended that the Company will be fully invested in normal market conditions, the Company may hold cash on deposit or invest on a temporary basis in a range of debt securities and cash equivalent instruments, including during the period in which the Company is building its exposure to Early-Stage Companies and Early-Growth Companies. There is no restriction on the amount of cash or cash equivalent instruments that the Company may hold and there may be times when it is appropriate for the Company to have a significant cash position instead of being fully or near fully invested.

Changes to the investment policy

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution.

In the event of a breach of the investment policy set out above and the investment and gearing restrictions set out therein, the Portfolio Manager shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service.

4. Understanding the risks

The Portfolio Manager believes the Company's strategy represents a compelling investment proposition but investors should understand the risks inherent in such investments. Typically, young businesses have a different risk profile to mature blue-chip companies, exhibiting greater stock specific risk, which implies a lower correlation with equity markets and the wider economy. This may offer diversification benefits, however long-term outcomes are more binary. There are potentially attractive rewards for success, although some businesses will inevitably fail to fulfil their potential and this may expose investors to the risk of capital losses. The Portfolio Manager aims to mitigate these risks through rigorous analysis of each opportunity, a strong focus on valuation and diversification across a large number of smaller positions.

5. Dividend policy

The Directors intend to manage the Company's affairs to achieve Shareholder returns through capital growth rather than income. Therefore, it should not be expected that the Company will pay a significant annual dividend, if any.

As at the date of this Prospectus, regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011 provides that, subject to certain exceptions, an investment trust may not retain more than 15 per cent. of its income in respect of each accounting period. Accordingly, the Company may declare an annual dividend from time to time for the purpose of seeking to maintain its status as an investment trust.

6. Discount control

The Company may seek to address any significant imbalance between the supply of and demand for Ordinary Shares in the secondary market and to manage the discount to the NAV at which its Ordinary Shares may be trading by purchasing its own Ordinary Shares in the market on an *ad hoc* basis.

A special resolution, expressed to take effect on Admission, has been passed granting the Company authority to make market purchases of up to 14.99 per cent. of its own issued Ordinary Shares following the conclusion of the Issue. The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of: (i) 5 per cent. above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made; or (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares. In addition, Ordinary Shares will be repurchased only at prices below the NAV per Ordinary Share, which should have the effect of increasing the NAV per Ordinary Share for remaining Shareholders.

A renewal of the authority to make market purchases will be sought from Shareholders at each annual general meeting of the Company. Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board. Any purchase of Ordinary Shares would be made only out of the available cash resources of the Company. Ordinary Shares purchased by the Company may be held in treasury or cancelled.

The exercise by the Directors of the Company's powers to repurchase Ordinary Shares and the timing and structure of any such purchases is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion.

7. Further issues

The Directors have authority to issue Ordinary Shares representing up to 10 per cent. of the Company's issued Ordinary Share capital immediately following Admission until the first annual general meeting of the Company. Shareholders' pre-emption rights over this unissued share capital have been disapplied so that the Directors will not be obliged to offer any new Ordinary Shares to Shareholders on a *pro rata* basis. The reason for this is to retain flexibility, following Admission, to issue new Ordinary Shares to investors. No Ordinary Shares will be issued at a price less than the Net Asset Value per existing Ordinary Share at the time of their issue.

Investors should note that the issuance of new Ordinary Shares is entirely at the discretion of the Board, and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of new Ordinary Shares that may be issued.

8. Valuation and Net Asset Value reporting

The Net Asset Value of the Company, and the Net Asset Value per Ordinary Share, shall be expressed in pounds sterling and shall be determined in accordance with the valuation principles and procedures from time to time adopted by the Board and notified to Shareholders, and in the absence of such adoption as aforesaid, the following valuation principles and procedures shall apply.

The unaudited estimated Net Asset Value of the Company and the unaudited estimated Net Asset Value per Ordinary Share will be calculated by the Administrator on a daily basis. Such calculations will be notified daily through a Regulatory Information Service and will in due course be available through the Portfolio Manager's website.

The Net Asset Value is the value of all assets of the Company less its liabilities to creditors (including provisions for such liabilities) determined in accordance with applicable accounting standards.

The value of the assets of the Company shall be calculated on the following bases:

- securities trading on a stock exchange are to be valued generally at the latest available bid-market price quoted on such exchange or, in the absence of such bid-market price, the last known price quoted on such exchange;
- unlisted equity securities will be valued in accordance with the Company's Unquoted Securities Valuation Policy, as amended by the Board from time to time, further detail of which is provided below;
- unlisted securities (other than equities) for which there is an ascertainable market value are to be valued generally at the last known bid price quoted on the principal market on which the securities are traded;
- unlisted securities (other than equities) for which there is no ascertainable market value will be valued at cost plus interest (if any) accrued from purchase to (but excluding) the relevant valuation date plus or minus the premium or discount (if any) from par value written off over the life of the security;

- any value otherwise than in pounds sterling shall be converted into pounds sterling at the rate (whether official or otherwise) which the Directors shall in their absolute discretion deem appropriate to the circumstances having regard, *inter alia*, to any premium or discount which they consider may be relevant and to the costs of exchange;
- the value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest accrued and not yet received shall be deemed to be the full amount thereof, unless it is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate to reflect the true value thereof; and
- the value of units in any unit trust shall be derived from the last prices published by the managers thereof.

If in any case a particular value is not ascertainable as above provided, or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant investments, then in such case the method of valuation of the relevant investment shall be such as the Directors shall determine. For the purposes of ascertaining or obtaining any price, quotation, rate or other value referred to in the preceding paragraphs for use in determining the value of any asset, the Manager or the Portfolio Manager shall be entitled to use the services of any reputable information or pricing service but only to the extent designated by the Directors.

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

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

Any suspension in the calculation of the Net Asset Value will be notified through a Regulatory Information Service as soon as practicable after any such suspension occurs.

Unquoted Securities Valuation Policy

The Company has adopted an Unquoted Securities Valuation Policy to provide an objective, consistent and transparent basis for estimating the fair value of unquoted equity securities in accordance with International Financial Reporting Standards as well as International Private Equity and Venture Capital Valuation Guidelines.

The Unquoted Securities Valuation Policy and the Portfolio Manager's valuation procedures are subject to review on a regular basis, and updated as appropriate, in line with industry best practice. In addition, the Portfolio Manager works with Duff & Phelps Ltd., an independent third-party valuation firm, to obtain assistance, advice, assurance, and documentation in relation to the ongoing valuation process.

The Portfolio Manager seeks to mitigate any conflicts of interest in the valuation process by clearly segregating responsibilities in order to ensure independence in the process.

The Portfolio Manager considers it impractical to perform an in-depth valuation analysis for every unquoted investment on a daily basis (whether internally or with the assistance of an independent third party). Therefore, it is expected that an in-depth valuation of each investment will be performed independently by Duff & Phelps: (i) at the time of initial investment; (ii) periodically thereafter, with the frequency determined by the size of the investment (being every six months in the case of an investment most recently valued at £10 million or less and every three months in the case of an investment above that threshold); and (iii) where the Portfolio Manager determines that a Triggering Event has occurred.

A "Triggering Event" may include any of the following:

- a subsequent round of financing (whether *pro rata* or otherwise) by the relevant investee company;
- a significant or material milestone achieved by the relevant investee company;

- a secondary transaction involving the relevant investee company on which sufficient information is available;
- a change in the makeup of the management of the relevant investee company;
- a material change in the recent financial performance or expected future financial performance of the relevant investee company;
- a material change in the market environment in which the relevant investee company operates; or
- a significant movement in market indices or economic indicators.

Once a valuation review has been established fair value will be assumed to be representative of fair value each Business Day until the next valuation review is performed by Duff & Phelps.

Once completed, the valuations are submitted to the Pricing Committee for review. The Pricing Committee comprises representatives from each of the Portfolio Manager, the Manager and Duff & Phelps. Any specific considerations that arise are discussed with the Portfolio Manager's finance team and adjustments made to fair values if appropriate. Where the Pricing Committee considers such an adjustment to be material, the Portfolio Manager will inform the Board of the nature and reasons for the adjustment.

9. Meetings, reports and accounts

The Company intends to hold its first annual general meeting in 2016 and then hold an annual general meeting each year thereafter. The annual report and accounts of the Company will be made up to 31 December in each year with copies expected to be sent to Shareholders within the following four months. The Company will also publish unaudited half-yearly reports to 30 June with copies expected to be made available to Shareholders within the following two months.

The Company's financial statements will be prepared in accordance with UK GAAP and reported in pounds sterling.

10. Taxation

Potential investors are referred to Part 6 of this Prospectus for details of the taxation of the Company and of Shareholders resident for tax purposes in the UK. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own professional advisers immediately.

Shareholders considering disposing of their Ordinary Shares are advised to consider their investment objectives and their own individual financial and tax circumstances. Shareholders who are in any doubt as to their tax position should seek professional advice from their own tax adviser.

11. Risk factors

The Company's business is dependent on many factors and potential investors should read the whole of this Prospectus and in particular the section entitled "Risk Factors" on pages 14 to 19.

PART 3

INVESTMENT PROPOSITION

1. The investment opportunity

The UK is home to some world-leading, blue-chip companies, many of which represent very attractive long-term investment opportunities. However, the Portfolio Manager believes that such investment opportunities do not start and end with the larger listed companies.

The UK has some of the best universities in the world, developing some of the best intellectual property. Unfortunately, as an economy, the UK does not have a good track record at converting these great ideas into long-term commercial success. There are many reasons for this but the principal one, in the Portfolio Manager's view, is a lack of appropriate capital. Very few investors are willing to embrace the long-term 'patient capital' approach required in this area to deliver successful outcomes.

Early-Stage Companies and Early-Growth Companies need nurturing – they need patient, long-term capital in order to fulfil their long-term potential. The capital available to nascent businesses in the UK has been scarce and the capital that has been available to them has tended to be too short-term in nature.

It is the Portfolio Manager's view that the lack of patient equity capital has created a compelling investment opportunity. The demand for capital from Early-Stage Companies and Early-Growth Companies is high, but the supply of it is very low. The returns on capital that is deployed, therefore, are potentially attractive.

The reward for success is attractive not just for investors; there are also potential wider economic benefits. Doing more to help early-stage entrepreneurs and innovators can help to develop the UK's "knowledge economy" as part of what can be seen as a much-needed long-term rebalancing of the UK economy.

2. The Portfolio Manager's approach

In many respects, the Portfolio Manager's investment team looks at early-stage and early-growth investments in the same way as they view all other stocks. In essence, they look at all companies through the same valuation lens, whether they are large or small, quoted or unquoted.

When undertaking investment due diligence, the investment team looks at the business area the company operates in, its technology, its patent estate and market opportunity, its products and services, and its management team. Detailed analysis helps the investment team to make a judgement about value based on a longer-term investment time horizon (typically, three to five years but sometimes longer).

There are nuances to this process. With Early-Stage Companies, typically the investment team are looking to invest before a product or service has made it to the market. In many circumstances, it will not have been approved by the relevant regulatory authority. The strength of a company's intellectual property and research behind it is, therefore, crucial.

Neil Woodford and his team have been investing in Early-Stage Companies and Early-Growth Companies for more than a decade and in this time they have developed a strong reputation as investors in such companies and have cultivated a network of trusted contacts. Through this experience, reputation and network of contacts, the Portfolio Manager is made aware of a large number of potential investment opportunities in addition to those which the investment team seeks out at its own instigation.

The investment team are conservative in terms of timelines and costs that might be attributed to a company's development. Consequently, they risk investors' capital using a discount rate that appropriately reflects the stage of development of that company, often over 30 per cent., to seek to ensure that the valuation reflects the inherent risks.

The investment team's approach to risk in this part of the market is necessarily different. In many instances, long-term outcomes are binary so they have to tolerate the prospect of loss on a stock-specific basis, albeit their due diligence efforts are designed to minimise this risk. Capital preservation is achieved through diversification – by investing in a larger number of smaller positions, and typically by increasing positions and portfolio weighting into companies only as they progress through key milestones and begin to de-risk.

Nevertheless, the Portfolio Manager's interest in this sector of the market reflects the investment team's belief that it offers attractive investment opportunities. The risks are undoubtedly higher than in the more

mainstream investment universe, but when adjusted for these additional risks, the potential rewards can be extremely attractive.

3. Case studies

The Portfolio Manager's historical application of the investment approach described above may be illustrated by five investment case studies, details of which are set out below. Investors should note that the past performance of other investments managed or advised by the Portfolio Manager or the Portfolio Manager's investment team cannot be relied upon as an indicator of the future performance of the Company.

Mature, blue-chip case study: AstraZeneca

AstraZeneca plc ("AstraZeneca") has represented a big position in Neil Woodford's income portfolios for several years, as has exposure to the wider pharmaceutical sector. Following a very productive period for the industry around the turn of the new millennium, returns on R&D have started to come under pressure in recent years. This dip in productivity caused a profound sector-wide valuation de-rating. At its nadir, the market effectively started to view R&D – for the whole pharmaceutical industry, but particularly for AstraZeneca – as an expense rather than an investment.

AstraZeneca has continued to invest in its business through some challenging years but, until recently, the market had failed to attach any future value to this substantial commitment to R&D. The investment team felt compelled to build a large position in the company because they believed that this R&D would deliver considerable future long-term value. This is an example of the contrarian nature of the Portfolio Manager's approach to investing, being prepared to take a very different view to the prevailing consensus and backing their convictions with meaningful positions.

More recently, the market has started to warm to the investment case for AstraZeneca and for the pharmaceutical sector as a whole. AstraZeneca is a company that is investing in its future and it is beginning to pay off. Under the leadership of Pascal Soriot since October 2012, the development pipeline has been transformed, with six product approvals in 2014 and 13 projects in late stage development. A combination of astute leadership and great science has enormous potential for the business, its shareholders and, importantly, for patients.

Early-Growth Company case study: Gigaclear

Gigaclear plc ("Gigaclear") is an unquoted business, founded in 2010 by Matthew Hare, chief executive. It builds and operates broadband networks to rural communities where larger scale telecoms businesses have underinvested.

Rather than operating a 'build it and they will come' business model, Gigaclear identifies communities where there is strong demand for reliable, ultrafast broadband and customers have pre-committed to cover 10 per cent. of the company's capital expenditure before any capital is deployed.

Once the network is built out, penetration rates accelerate and, on the 25 rural villages in the UK already benefiting from a Gigaclear broadband network, the company sees penetration rates of between 26 per cent. and 65 per cent. of all households using the service. Penetration rates continue to rise in all 25 villages and the company is currently building networks in a further 50 villages.

Although Gigaclear is still a very young company, it is growing rapidly and aims to pass 20,000 premises by the end of 2015, growing to 200,000 in 2018. The Portfolio Manager believes that this is an example of a great business model being executed by a talented management team that knows its industry intimately and, although it is capital intensive, the Portfolio Manager anticipates that long-term returns on that capital should be attractive.

The investment team first committed capital to Gigaclear in June 2014 and recently participated in a further funding round. The investment team has achieved a 41 per cent. return on its investment on the basis of the valuation at the latest funding round. The investment has been held for less than 12 months and so no IRR data is provided. (Source: Gigaclear plc).

Early-Growth Company case study: Xeros

Xeros Technology Group plc ("Xeros") is a Sheffield-based technology business formed on technology originally developed in Leeds University's School of Textiles, while investigating whether reversing the process of anchoring dye to textiles could help to remove unwanted stains. The research established that nylon was an ideal substance for removing stains because of its resilient and absorbent characteristics in

high humidity. Xeros was formed in 2006 with the aim of commercialising this research and has since developed a polymer bead cleaning system which represents the first real innovation in the laundry industry in more than 60 years.

The Xeros cleaning system is a combination of polymer beads and a proprietary washing machine which has been proven to reduce water usage by up to 80 per cent. whilst also reducing energy and chemical usage and delivering a superior cleaning performance. The “(almost) waterless washing machine” was listed in Time magazine’s 50 best inventions of 2010 and, five years on, the business is successfully penetrating its priority hotel laundry market and now counts four of the world’s top five hotel groups as customers.

The investment team first invested in Xeros in March 2013, providing capital to accelerate the roll-out of its commercial laundry cleaning system. The company was admitted to trading on the AIM market of the London Stock Exchange in March 2014, raising further capital to fund the continued growth of its commercial laundry business and support investment in research and development of its domestic laundry proposition.

The investment team first committed capital to Xeros in March 2013 and has since provided further capital for investment. On the basis of the trading price of the company, the investment has delivered an IRR of +74 per cent. per annum (Source: Xeros, Bloomberg. As of 5 February 2015).

Early-Stage Company case study: Oxford Nanopore

Oxford Nanopore Technologies Limited (“Oxford Nanopore”) is developing next generation technology for molecular diagnostics, with DNA sequencing being the first application. The Portfolio Manager’s investment team have known the business well for several years through its relationship with IP Group and through private investments in current and former portfolios managed by Neil Woodford. The company was spun out of Oxford University in 2005 with seed funding from IP Group and has since raised a total of £180 million in funding.

During the course of the investment team’s relationship with Oxford Nanopore, the team has been particularly impressed with its management team, confident in the quality of its technology and excited by the breadth of the commercial opportunity that its products can address. Amongst other things, its devices may be used in scientific research, personalised medicine, crop science, security and defence and environmental applications.

Oxford Nanopore’s first product, the MinION, a c.\$1,000 USB-stick sized device is expected to allow users to do what a \$100,000-plus desktop sequencer currently does. Whilst still in final development it allows significant improvements in the simplicity, efficiency and scalability of existing DNA sequencing technologies, as well as the prospect of real-time data streaming.

The investment team first committed capital to Oxford Nanopore in May 2011 and has since provided further capital for investment. On the basis of the latest valuation of the company, the investment has delivered an IRR of +26 per cent. per annum. (Source: Oxford Nanopore. As of 5 February 2015).

Early-Stage Company case study: Allied Minds

Allied Minds plc (“Allied Minds”) is an intellectual property commercialising business that the investment team have known for many years. It has strong links with some of the top American universities and laboratories, providing the resources – financial capital, entrepreneurial expertise and commercial experience – to help turn the best in academic intellectual property into long-term commercial success.

The investment team first invested in Allied Minds in June 2007 as an unquoted business, viewing it as an attractive long-term investment opportunity, nurturing some quite outstanding early-stage technology. Spin Transfer Technologies, for example, is a technology business established by New York University and Allied Minds, which has a very promising next generation technology for memory chips in electronic devices, potentially enabling faster switching times, lower power operation and lower manufactured device cost. Meanwhile, RF Biocidics, is developing a food safety disinfectant technology without using pesticides or dangerous radiation.

Allied Minds was admitted to trading on the main market of the London Stock Exchange in June 2014. Since then, the company has announced a series of positive operational updates, a strengthening of its executive team, several new company formations and a successful funding round for Spin Transfer Technologies (which the investment team participated in). The company recently entered the FTSE 250 Index.

The investment team first committed capital to Allied Minds in June 2007 and has made further investments since that date. On the basis of the trading price of the company, the investment has delivered an IRR of +29 per cent. per annum. (Source: Allied Minds, Bloomberg. As of 5 February 2015).

It is important to note that not all of the investment team's investments in Early-Stage Companies and Early-Growth Companies have delivered strong returns, though they all form part of Neil Woodford's highly-regarded long-term investment track record. Investors should note that the past performance of the Portfolio Manager's investment team's investments cannot be relied upon as an indicator of the future performance of the Company.

PART 4

DIRECTORS, MANAGEMENT AND ADMINISTRATION

1. Directors

The Directors are responsible for the determination of the Company's investment policy and strategy and have overall responsibility for the Company's activities including the review of investment activity and performance and the control and supervision of the Company's service providers. The Directors may delegate certain functions to other parties, such as the Portfolio Manager, the Manager, the Administrator and the Registrar. In particular, responsibility for managing the assets comprised in the portfolio has been delegated to the Portfolio Manager who is not required to, and generally will not, submit individual investment decisions for the approval of either the Manager or the Board.

All of the Directors are non-executive and are independent of the Portfolio Manager and the Manager. The Directors will meet at least four times per annum, and the audit committee will meet at least twice per annum.

The Directors are as follows:

Susan Jane Searle (aged 51)

Susan served as the Chief Executive Officer of Imperial Innovations Group plc from January 2002 to July 2013. At Imperial Innovations, Susan led funding rounds totalling circa £250 million and during her tenure, Imperial Innovations invested £121 million in a portfolio of healthcare, engineering and software businesses linked to four universities: Cambridge, Imperial College, Oxford and UCL. She sat on a variety of boards including Evo Electric (electric motors), Thiakis (drug development for obesity) and Plaxica (biopolymers). Previously she worked at Montech in Australia (science commercialisation), Signet Group PLC, Bank of Nova Scotia, and Shell Chemicals in a variety of business development and commercial roles.

She currently serves as a non-executive director of Horizon Discovery Group plc, Benchmark Holdings plc, QinetiQ Group plc and is a trustee of UK charity Fight for Sight. Susan also serves as a member of the international advisory board of PTT Global Chemicals and as an advisory board member of Innovate UK. She is currently Deputy Chair, and chair of the audit committee, of Mercia Technologies plc, an investment business that invests in high growth technology businesses with a focus on the Midlands and the North of the UK. Susan has an MA in Chemistry from Oxford University.

Scott Brown (aged 51)

Scott Brown is CEO of Nexeon Limited, an Imperial College spin-out focused on developing silicon anode technology for next generation Li-ion battery technology. During his tenure, he has led the change in the company's strategy to successfully move from an IP licensing business model to one of material production and supply.

Previously, Scott had been Executive Vice President at Cambridge Display Technology Ltd. ("CDT") responsible for commercial and IP activities of the company. During his time at CDT the company was floated on NASDAQ, and Scott successfully co-negotiated the joint venture between CDT and Sumitomo Chemical Co. Ltd., relocating to Tokyo for two years to set up and develop the business.

Prior to CDT, Scott was Global R&D Director for the Electronic Materials Business at Dow Corning, a US-headquartered multinational corporation with over US\$6 billion in annual revenues.

Scott holds a PhD in Chemistry and is a Chartered Scientist and Fellow of the Royal Society of Chemistry.

Steven Harris (aged 48)

Steven Harris is CEO and co-founder of Circassia Pharmaceuticals plc. He is a bioscience entrepreneur with extensive experience of founding and leading speciality pharmaceutical companies. Prior to co-founding Circassia in 2006, he was a founding member of the management team that grew Zeneus Pharma Ltd. ("Zeneus") into a leading specialty pharmaceuticals company following the acquisition of Elan Corporation plc's European oncology and critical care business for US\$110 million. As Zeneus' Chief Financial Officer and subsequently Chief Executive Officer, he played a key role in refocusing the business, turning around under-performing products and managing Zeneus' acquisition by Cephalon Inc. (now part of Teva Pharmaceutical Industries Ltd.) for US\$360 million in 2006.

Prior to Zeneus, he spent seven years at PowderJect Pharmaceuticals plc as Chief Financial Officer, where he was a key member of the management team that grew the private biotechnology organisation into an integrated, profitable public company, which became the world's fifth largest vaccines business before being acquired by Chiron Corporation (now Novartis International AG) for US\$1 billion in 2003.

Steven holds a BSc from Southampton University and is a Chartered Accountant and a member of the Institute of Chartered Accountants of England and Wales.

Dame Pamela Louise Makin (aged 54)

Louise Makin joined BTG plc as CEO in October 2004. BTG is a growing international specialist healthcare company in the FTSE 250 whose mission is to bring to market medical products that meet the needs of specialist healthcare physicians and their patients. During her time at BTG, Louise has overseen a strategic business review leading to a focus on life sciences, expansion into the US and a series of acquisitions including those of Protherics PLC and Biocompatibles International plc.

From 2001, Louise was President, Biopharmaceuticals Europe of Baxter Healthcare, where she was responsible for Europe, Africa and the Middle East. Louise joined Baxter Healthcare in 2000 as Vice President, Strategy & Business Development Europe. Before joining Baxter, she was Director of Global Ceramics at English China Clay and prior to that she held a variety of roles at ICI between 1985 and 1998.

Louise is a non-executive director of Intertek Group plc and a trustee of the Outward Bound Trust.

2. Portfolio Manager

The Company, through the Manager, has appointed Woodford Investment Management LLP to manage the Company's portfolio pursuant to the Portfolio Management Services Agreement which is summarised in paragraph 7.2 of Part 7 of this Prospectus.

Woodford Investment Management LLP is a UK-based investment management firm which attained regulatory authorisation in May 2014. The Portfolio Manager specialises in managing UK and global equities for retail and institutional investors.

The Portfolio Manager is authorised and regulated by the FCA and, as such, is subject to its rules in the conduct of its investment business.

The investment team

As at 31 January 2015, the Portfolio Manager had £9.3 billion of assets under management, including £4.7 billion of assets in the Portfolio Manager's CF Woodford Equity Income Fund, an open-ended UCITS fund launched by the Portfolio Manager on 2 June 2014.

The investment objective of the CF Woodford Equity Income Fund is to provide its investors with long-term appreciation by investing in stocks primarily listed on the UK stock exchanges (although up to 20 per cent of the fund's assets may be invested in international companies). The CF Woodford Equity Income Fund may invest up to 10 per cent. of its scheme property in unquoted companies, including Early-Stage Companies and Early-Growth Companies.

At Invesco Perpetual, Neil Woodford was responsible for managing approximately £33 billion of assets including the portfolio of the Edinburgh Investment Trust plc, a closed-end listed investment trust, from September 2008 to January 2014 during which time the net asset value increased by 87.4 per cent. and the share price by 108.2 per cent. This was against an increase in the FTSE All Share Index of 60.0 per cent.⁽¹⁾

As fund manager of the Invesco Perpetual High Income Fund, Neil Woodford delivered a return of 2,192 per cent. between 31 October 1988 and 5 March 2014. Annual performance data for the Invesco Perpetual High Income Fund during his tenure are shown in the table below.

(1) On a total return, sterling basis with net income reinvested, from 15 September 2008 to 27 January 2014. Source: Bloomberg.

Neil Woodford – investment track record (full calendar years)

	1989	1990	1991	1992	1993
IP High Income Inc	+24.0	-3.8	+20.9	+27.4	+44.3
FTSE All Share Index	+36.1	-9.7	+20.8	+20.5	+28.4
	1994	1995	1996	1997	1998
IP High Income Inc	-3.7	+24.0	+15.0	+27.7	+9.6
FTSE All Share Index	-5.8	+23.9	+16.7	+23.6	+13.8
	1999	2000	2001	2002	2003
IP High Income Inc	+10.0	+17.7	+1.5	-10.6	+23.2
FTSE All Share Index	+24.2	-5.9	-13.3	-22.7	+20.9
	2004	2005	2006	2007	2008
IP High Income Inc	+21.7	+27.0	+27.3	+7.0	-19.4
FTSE All Share Index	+12.8	+22.0	+16.8	+5.3	-29.9
	2009	2010	2011	2012	2013
IP High Income Inc	+9.8	+10.9	+9.0	+7.7	+25.5
FTSE All Share Index	+30.1	+14.5	-3.5	+12.3	+20.8

*Source: Morningstar on a mid price, sterling basis with net income reinvested.
Past performance is not a guide to the future.*

Investors should note that the Company will have a greater allocation to Early-Stage Companies and Early-Growth Companies than other funds previously or currently managed by Neil Woodford and the investment team.

The Company's portfolio will be managed by Neil Woodford. He will be assisted by Stephen Lamacraft, Saku Saha and Paul Lamacraft.

Neil Woodford, Head of Investments

Neil will have principal responsibility for the management of the Company's portfolio. He is one of the most respected fund managers in the UK with his disciplined, valuation-oriented approach consistently delivering outstanding long-term performance to his clients.

He was a pivotal part of the UK equities team at Invesco Perpetual for more than 26 years, where he fine-tuned his distinctive approach and made his mark on the investment industry. At Invesco Perpetual, Neil managed £33 billion of assets.

Neil announced he was leaving Invesco Perpetual in October 2013 to set up the Portfolio Manager.

He has recently been rated AAA by Square Mile, AA by Citywire and bronze by Morningstar in respect of the CF Woodford Equity Income Fund.

He was appointed a Commander of the Order of the British Empire (CBE) in 2013 for services to the economy.

Stephen Lamacraft, Fund Manager

Stephen worked with Neil Woodford at Invesco Perpetual as a UK Fund Manager responsible for £120 million of assets. Stephen's strategy focuses on fundamental analysis of large and mid-capitalisation companies.

Saku Saha, Fund Manager

Saku's previous role was as analyst and investment director for the Invesco Perpetual UK Equities team. In this role, he was responsible for analysing investment opportunities and assisting Neil Woodford, with a specific focus on early-stage technology companies. Prior to his role at Invesco Perpetual, Saku spent many years at a senior level in the British Army.

Paul Lamacraft, Fund Manager

Paul began his career at Ernst and Young and his most recent role was as a fund manager on the UK Equities team at Invesco Perpetual. Paul has a private equity and corporate finance background and focuses on analysis of early stage and early growth companies.

3. Manager

The Company has appointed Capita Financial Managers Limited as the Manager of the Company, pursuant to the Management Agreement (further details of which are set out in paragraph 7.3 of Part 7 of this Prospectus). The Manager will act as the Company's manager for the purposes of the AIFMD. Pursuant to the Portfolio Management Services Agreement (further details of which are set out in paragraph 7.2 of Part 7 of this Prospectus), the Manager has delegated portfolio management to the Portfolio Manager.

The Manager is registered as a limited liability company in England and Wales (registered number 01146888) and is authorised and regulated by the FCA (registration number 119197). The principal place of business of the Manager is 40 Dukes Place, London EC3A 7NH, United Kingdom. The Manager's telephone number is +44 (0)870 607 2555.

4. Administration of the Company

The Administrator will provide the day to day administration of the Company. The Administrator will also be responsible for the Company's general administrative functions, such as the calculation and publication of the Net Asset Value and maintenance of the Company's accounting records.

5. Fees and expenses

Formation and initial expenses

The formation and initial expenses of the Company are those which are necessary for the incorporation of the Company, Admission and the Issue. These expenses include fees and commissions payable under the Placing and Offer Agreement, Receiving Agent's fees, admission fees, printing, legal and accounting fees and any other applicable expenses which will be met by the Company and paid on or around Admission out of the gross proceeds of the Issue. The expenses will be written off to capital in the Company's first accounting period.

The costs and expenses of the Issue (including all fees, commissions and expenses payable to Winterflood) will be paid by the Company. Such costs and expenses are not expected to exceed approximately £3 million, equivalent to 1.5 per cent. of the Gross Proceeds, assuming Gross Proceeds of £200 million.

Ongoing annual expenses

The Company will also incur ongoing annual expenses, which are not expected to exceed 0.35 per cent. of the Gross Proceeds, assuming Gross Proceeds of £200 million, excluding any performance fees that may be payable to the Portfolio Manager and all trading and similar costs associated with making and realising investments.

Ongoing annual expenses will include the following:

(i) *Portfolio Manager*

The Portfolio Manager has agreed not to receive a management fee from the Company in respect of its services provided under the Portfolio Management Services Agreement. The Portfolio Manager is entitled to receive a performance fee equal to 15 per cent. of any excess returns over a cumulative 10 per cent. per annum hurdle rate, subject to a high watermark. The performance fee is calculated on the following basis.

$$PF = ((A-B) \times C) \times 15 \text{ per cent.}$$

Where:

PF is the performance fee, if any, payable to the Portfolio Manager;

A is the Adjusted NAV per Ordinary Share;

B is the higher of: (i) the High Watermark NAV per Ordinary Share; and (ii) the Hurdle; and

C is the time weighted average number of Ordinary Shares in issue since the last Performance Period in respect of which a performance fee was earned, or if no performance fee has yet been earned, Admission.

In the event that A-B is a negative number, it shall be taken to equal zero.

For these purposes:

“**Performance Period**” means: (i) the period beginning on the date of Admission and ending on 31 December 2015; and (ii) each subsequent period corresponding to each accounting period of the Company.

“**Adjusted NAV per Ordinary Share**” means the Net Asset Value per Ordinary Share on the last Business Day of each Performance Period, adjusted by adding back any performance fee accrual in respect of such Performance Period.

“**High Watermark NAV per Ordinary Share**” means the Net Asset Value per Ordinary Share as at the last Business Day of the Performance Period in respect of which a performance fee was last earned, adding back the effect of any performance fee paid in respect of such Performance Period (or, if no performance fee has yet been earned, the Issue Price).

“**Hurdle**” means the Issue Price increased, from Admission, at a rate of 10 per cent. per annum, compounded annually as at the last Business Day of each Performance Period (pro-rated, in the case of the first Performance Period, from the date of Admission).

The High Watermark NAV per Ordinary Share and the Hurdle will be adjusted to reflect the impact on the Adjusted NAV per Ordinary Share from a capital return and/or dividend and/or distribution to Shareholders at the time of such capital return and/or dividend and/or distribution, on a pence per Ordinary Share basis.

If at any time a Potential Adjustment Event shall occur, the Portfolio Manager and the Company shall discuss in good faith what adjustment would be appropriate for the purpose of calculation of the performance fee. Failing such agreement, the Company shall instruct the Auditors, or other independent firm of accountants, to report to the Company and the Portfolio Manager regarding any adjustment which in the opinion of the Auditors, or other independent firm of accountants, shall be appropriate to be made for the purpose of the calculation of the performance fee. “**Potential Adjustment Event**” means, in relation to the Company, every issue by way of capitalisation of profits or reserves and every issue by way of rights or bonus and every consolidation or sub-division or reduction of capital or share premium or capital dividend or redemption of Ordinary Shares, or other reconstruction or adjustment relating to the share capital of the Company (or any shares, stock or securities derived therefrom or convertible thereinto) and also includes any other amalgamation or reconstruction affecting the share capital of the Company (or any shares, stock or securities derived therefrom or convertible thereinto).

The performance fee will be calculated on behalf of the Company by the Administrator, based on the audited NAV as at the end of each Performance Period.

The Portfolio Manager has agreed that any performance fee payable to it in respect of a given Performance Period shall be satisfied by the issue of new Ordinary Shares at the prevailing NAV at the time of issue (“**Performance Fee Shares**”), as to 80 per cent., and cash, as to the remaining 20 per cent. Any Performance Fee Shares shall be issued within 20 Business Days of publication of the audited NAV as at the end of each Performance Period. The issue price of such Performance Fee Shares will be the prevailing Net Asset Value per Ordinary Share at the time of issue. Any Performance Fee Shares shall be issued to the Portfolio Manager, or as it may direct, and will be subject to the provisions of the Lock-In Agreement.

Pursuant to the Portfolio Management Services Agreement, the Company and the Portfolio Manager have agreed that to the extent that Ordinary Shares acquired and held by the Portfolio Manager, and any parties acting in concert with it (within the meaning of the Takeover Code), would exceed (in aggregate) 29.99 per cent. of the total number of Ordinary Shares in issue, any performance fee to which the Portfolio Manager is entitled shall be paid in cash. In addition, to the extent that the Board does not have the requisite Shareholder authorities to allow it to allot such Ordinary Shares, the Board may elect to pay that part of the performance fee that is affected in cash.

(ii) *Manager*

The Manager shall be entitled to receive from the Company, in respect of its services provided under the Management Agreement, a management fee of between 0.0125 per cent. and 0.06 per cent. of Gross Assets, payable monthly in arrears, subject to a minimum fee of £6,250 per month (subject to an annual increase in line with the retail prices index).

(iii) *Administrator, Company Secretary, Registrar and Depositary*

The aggregate fees payable to the Administrator, Company Secretary, Registrar and Depositary in respect of their services to the Company are expected to be approximately £102,000 per annum (exclusive of VAT), assuming Gross Proceeds of £200 million.

(iv) *Directors*

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Save for the Chairman of the Board, the fees are £27,000 for each Director per annum, with the chairman of the audit committee receiving an additional fee of £5,000 per annum. The Chairman's fee is £40,000 per annum.

All of the Directors are also entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties. The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company.

(v) *Other operational expenses*

Other ongoing operational expenses (excluding fees paid to service providers as detailed above) of the Company will be borne by the Company including travel, accommodation, printing, audit, finance costs, due diligence and legal fees. All reasonable out of pocket expenses of the Manager, the Administrator, the Company Secretary, the Registrar, the Depositary and the Directors relating to the Company will be borne by the Company.

6. Conflicts of interest

The Portfolio Manager and its officers and employees may be involved in other financial, investment or professional activities that may give rise to conflicts of interest with the Company. In particular, it currently provides, and expects to continue to provide, investment management, investment advice or other services in relation to a number of other companies, funds or accounts ("other clients") that may have similar investment objectives and/or policies to that of the Company and will receive fees for doing so.

As a result, the Portfolio Manager may have conflicts of interest in allocating investments among the Company and its other clients and in effecting transactions between the Company and its other clients. The Portfolio Manager may give advice or take action with respect to its other clients that differs from the advice given or actions taken with respect to the Company. The Portfolio Manager will ensure that transactions effected by it or an associate in which it or an associate has, directly or indirectly, a material interest or relationship of any description with another party, are effected on terms which are not materially less favourable to the Company than if the potential conflict had not existed.

In instances where the Portfolio Manager chooses to aggregate an order in a listed stock or investment in an unquoted company across the accounts of various clients including the Company, the Portfolio Manager will aggregate and allocate the order or investment in accordance with the Portfolio Manager's aggregation and allocation policy. Orders and investments will be allocated fairly to all clients without distinction for type, whether retail or professional. Furthermore, the Portfolio Manager should not aggregate an order if it is likely to work to the disadvantage of any of its clients involved.

The Portfolio Manager will allocate in a consistent manner across all clients, irrespective of the form or structure of remuneration that the Portfolio Manager receives in return for its investment management services. Allocations will be made on the basis of the investment objectives of the Portfolio Manager's clients, including the Company, and will not be affected by factors such as the short-term impact on management fees that making a given investment may have.

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

The Directors have noted that the Portfolio Manager has other clients and have satisfied themselves that the Portfolio Manager has procedures in place to address potential conflicts of interest.

In addition, the Portfolio Manager is expected to have a role in the valuation of the Company's investments in unquoted securities, which will be valued in accordance with the valuation policy adopted by the Board from time to time as further explained in paragraph 8 of Part 2 of this Prospectus. Such valuations will involve the Portfolio Manager exercising judgement. As the Portfolio Manager is entitled to receive a performance fee for its services to the Company which is based, in part, on the value of the Company's investments, this creates a potential conflict of interest. The Directors have satisfied themselves that

procedures are in place in order to manage any such conflict, and notably that the Company will make use of an independent third party for the ongoing valuation of unquoted securities.

7. Corporate governance

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

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to Shareholders. As at the date of this Prospectus, the Company complies with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code.

The UK Corporate Governance Code includes provisions relating to: the role of the chief executive; the appointment of a senior independent director; executive directors' remuneration; and the need for an internal audit function.

For the reasons set out in the AIC Guide, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company with an entirely non-executive Board, and the Company does not therefore comply with them.

The Company's Audit Committee will be chaired by Steven Harris and consists of all the Directors and will meet at least twice a year. The Board considers that the members of the Audit Committee have the requisite skills and experience to fulfil the responsibilities of the Audit Committee. The Audit Committee will examine the effectiveness of the Company's control systems. It will review the half-yearly and annual reports and also receive information from the Manager. It will also review the scope, results, cost effectiveness, independence and objectivity of the external auditor.

In accordance with the AIC Code, the Company has established a Management Engagement Committee which is chaired by the chairman of the Board and consists of all the Directors. The Management Engagement Committee will meet at least once a year or more often if required. Its principal duties will be to consider the terms of appointment of the Manager and the Portfolio Manager and it will annually review those appointments and the terms of the Management Agreement and the Portfolio Management Services Agreement.

PART 5

ISSUE ARRANGEMENTS

1. Introduction

The Company is proposing to raise target Gross Proceeds of £200 million through the Placing and Offer for Subscription of 200 million Ordinary Shares at a price of 100 pence per Ordinary Share. In this Prospectus, the Placing and the Offer for Subscription are together referred to as the Issue. The Issue has not been underwritten. The maximum number of Ordinary Shares to be issued under the Issue is 500 million.

The aggregate proceeds of the Issue, after deduction of expenses, are expected to be approximately £197 million on the assumption that Gross Proceeds are £200 million.

Winterflood has agreed to use reasonable endeavours to procure subscribers pursuant to the Placing for the Ordinary Shares on the terms and subject to the conditions set out in the Placing and Offer Agreement. Details of the Placing and Offer Agreement are set out in paragraph 7.1 of Part 7 of this Prospectus.

The Ordinary Shares are being made available under the Placing at the Issue Price. The terms and conditions that shall apply to any subscription for Ordinary Shares under the Placing are set out in Part 8 of this Prospectus. The latest time and date for receipt of commitments under the Placing is 12.00 noon on 15 April 2015.

The Ordinary Shares are being made available under the Offer for Subscription at the Issue Price, subject to the terms and conditions of application under the Offer for Subscription set out in Part 9 of this Prospectus. These terms and conditions, and the Application Form attached as the Appendix to this Prospectus, should be read carefully before an application is made. The Offer for Subscription will close at 11.00 a.m. on 14 April 2015 (or such later date, not being later than 31 May 2015, as the Company and Winterflood may agree). If the Placing and Offer for Subscription are extended, the revised timetable will be notified through a Regulatory Information Service.

Applications under the Offer for Subscription must be for Ordinary Shares with a minimum subscription amount of £1,000.

Completed Application Forms accompanied by a cheque or banker's draft in relation to the Offer for Subscription must be posted or delivered by hand (during normal business hours) to the Receiving Agent, Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, so as to be received as soon as possible and, in any event, no later than 11.00 a.m. on 14 April 2015. It is expected that the results of the Issue will be notified through a Regulatory Information Service on 16 April 2015.

The Issue is conditional, *inter alia*, on:

- (i) Admission occurring by 8.00 a.m. on 21 April 2015 (or such later date, not being later than 31 May 2015, as the Company and Winterflood may agree);
- (ii) the Placing and Offer Agreement becoming otherwise unconditional in all respects and not having been terminated in accordance with its terms prior to Admission; and
- (iii) the Minimum Net Proceeds (or such lesser amount as the Company, the Portfolio Manager and Winterflood may agree) being raised.

If the Minimum Net Proceeds, or such lesser amount as the Directors, Winterflood and the Portfolio Manager in their absolute discretion may decide, are not raised, the Issue will not proceed and application monies received under the Placing and Offer for Subscription will be returned to applicants without interest at the applicants' risk.

If the Minimum Net Proceeds are not raised, the Issue may only proceed where a supplementary prospectus (including a working capital statement based on a revised minimum net proceeds figure) has been prepared in relation to the Company and approved by the UKLA.

2. Scaling back

In the event that commitments under the Placing and valid applications under the Offer for Subscription exceed the maximum number of Ordinary Shares available under the Issue (being 500 million Ordinary

Shares), applications under the Placing and Offer for Subscription will be scaled back at Winterflood's discretion (in consultation with the Company).

3. The Placing and Offer Agreement

The Placing and Offer Agreement contains provisions entitling Winterflood to terminate the Placing and the Offer for Subscription (and the arrangements associated with them) 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 Placing and Offer Agreement provides for Winterflood to be paid commission by the Company in respect of the Ordinary Shares to be allotted pursuant to the Issue. Any Ordinary Shares subscribed for by Winterflood may be retained or dealt in by them for their own benefit.

Under the Placing and Offer Agreement, Winterflood is entitled at its discretion and out of its own resources at any time to retain agents in relation to the Issue, to pay commission to any such agents and to rebate to some or all investors, or to other parties, part or all of its fees relating to the Issue.

Further details of the terms of the Placing and Offer Agreement are set out in paragraph 7.1 of Part 7 of this Prospectus.

4. Admission

Admission is expected to take place at 8.00 a.m. on 21 April 2015. Where applicable, definitive share certificates in respect of the Ordinary Shares are expected to be despatched, by post at the risk of the recipients, to the relevant holders, within 14 days of allotment. The Ordinary Shares are in registered form and can also be held in uncertificated form. Prior to the despatch of definitive share certificates in respect of any Ordinary Shares which are held in certificated form, transfers of those Ordinary Shares will be certified against the Register. No temporary documents of title will be issued.

5. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

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

6. Use of proceeds

The Directors intend to use the net proceeds of the Issue, after costs and after providing for the Company's operational expenses, to acquire investments in accordance with the Company's investment objective and policy. The Issue is being made in order to provide investors with the opportunity to invest in a diversified portfolio (as described in such investment objective and policy) through the medium of an investment trust.

7. Profile of typical investor

Typical investors for whom an investment in the Company is intended are private investors in the UK and institutional investors seeking long-term capital growth from investment in a portfolio of predominantly UK Companies, including Early-Stage Companies and Early-Growth Companies, some of which may be unquoted.

An investment in the Company is only suitable for persons capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from the investment.

Potential investors should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. Private investors in the UK who are unsure whether to invest should consider consulting a financial adviser authorised under FSMA to assess whether an investment in the Company is suitable.

8. Overseas Persons

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

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

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

Persons (including, without limitation, nominees and trustees) receiving this Prospectus should not distribute or send it to any US Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the US Investment Company Act and the offer, issue and sale of the Ordinary Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States.

Accordingly, the Ordinary Shares are only being offered and sold outside the United States to non-US Persons in reliance on the exemption from registration provided by Regulation S. The Ordinary Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any US Person. Any representation to the contrary is a criminal offence in the United States and the re-offer or resale of any Ordinary Shares in the United States may constitute a violation of US law.

Investors should additionally consider the provisions set out under the heading Important Notices on page 20 of this Prospectus.

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

PART 6

UK TAXATION

Introduction

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

All potential investors, and in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers on the potential tax consequences of subscribing for, purchasing, holding or disposing of Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

The Company

It is the intention of the Directors to conduct the affairs of the Company so that it satisfies the conditions necessary for it to be approved by HMRC as an investment trust. However, none of the Manager, the Portfolio Manager or the Directors can guarantee that this approval will be granted or maintained. In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust the Company will be exempt from UK corporation tax on its chargeable gains. The Company will, however, (subject to what follows) be liable to UK corporation tax on its income in the normal way.

In principle, the Company will be liable to UK corporation tax on its dividend income. However, there are broad-ranging exemptions from this charge which would be expected to be applicable in respect of most dividends the Company receives.

Approved investment trusts are able to elect to take advantage of modified UK tax treatment in respect of their “qualifying interest income” for an accounting period (referred to here as the “streaming” regime). Under such treatment, the Company may designate as an “interest distribution” all or part of the amount it distributes to Shareholders as dividends, to the extent that it has “qualifying interest income” for the accounting period. Were the Company to designate any dividend it pays in this manner, Shareholders would (broadly speaking) be taxed as if the dividend received were a payment of interest and the Company would be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period. In certain cases, including where the Shareholder is a UK resident individual, such interest distributions may be paid subject to deduction of UK income tax. Given the nature of its investment portfolio, the Company does not expect to generate a significant amount of “qualifying interest income” and, accordingly, the Directors do not currently anticipate that the streaming regime would be used. The statements below regarding the taxation of dividends received by Shareholders from the Company assume that the streaming regime does not apply.

Shareholders

Taxation of dividends – individuals

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

An individual Shareholder who is resident in the UK for tax purposes and who receives a dividend from the Company should generally be entitled to a notional tax credit which may be set off against the Shareholder’s total UK income tax liability on the dividend. An individual UK resident shareholder will be liable to UK income tax on the sum of the tax credit and the cash dividend (the “gross dividend”) which will be treated as the top slice of the individual’s income for UK income tax purposes. The tax credit equals 10 per cent. of the gross dividend. The tax credit therefore also equals one-ninth of the cash dividend received.

A UK tax resident individual Shareholder who is liable to UK income tax at the basic rate will be subject to tax on the dividend at the rate of 10 per cent. of the gross dividend. This means that the tax credit will satisfy in full such a Shareholder’s liability to UK income tax on the dividend.

For the tax year 2014-15, the rate of UK income tax applied to dividends received by a UK resident individual liable to UK income tax at the higher rate will be 32.5 per cent. to the extent that such dividends, when treated as the top slice of the Shareholder's income, fall above the threshold for higher rate income tax and below the threshold for additional rate UK income tax. To that extent, the tax credit will be set against, but will not fully match, such a Shareholder's tax liability on the gross dividend. After taking account of the 10 per cent. tax credit, such a Shareholder will have to account for additional UK income tax equal to 22.5 per cent. of the gross dividend, which means that the Shareholder would have an effective dividend tax rate of 25 per cent. of the cash dividend received. A dividend tax rate of 37.5 per cent. applies to the extent that dividends, when treated as the top slice of a UK resident individual Shareholder's income, fall above the threshold for additional rate UK income tax. After taking into account the 10 per cent. tax credit, such a Shareholder would have an effective dividend tax rate of approximately 30.6 per cent. of the cash dividend received.

There will be no repayment of any part of the tax credit to an individual Shareholder whose liability to UK income tax on all or part of the gross dividend is less than the amount of the tax credit.

Taxation of dividends – companies

The Company is not required to withhold UK tax when paying a dividend on the Ordinary Shares.

Shareholders within the charge to UK corporation tax which are "small companies" (for the purposes of UK taxation of dividends) will not generally be subject to UK corporation tax on dividends paid by the Company on the Ordinary Shares.

Other Shareholders within the charge to UK corporation tax will not be subject to corporation tax on dividends paid by the Company on the Ordinary Shares so long as the dividends fall within an exempt class and certain conditions are met. Although it is likely that dividends paid by the Company on the Ordinary Shares would qualify for exemption from corporation tax, it should be noted that the exemption is not comprehensive and is subject to anti-avoidance rules. Shareholders should therefore consult their own professional advisers where necessary.

Taxation of chargeable gains

A disposal of Ordinary Shares by a Shareholder who is resident in the UK for tax purposes may, depending on the Shareholder's circumstances, and subject to any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of UK taxation of chargeable gains.

UK resident individuals are, for each tax year, entitled to an exemption from capital gains tax for a specified amount of gains realised in that tax year. The current annual exempt amount for the tax year 2014-15 is £11,000 (for the tax year 2015-16 this will be £11,100).

For Shareholders within the charge to corporation tax, indexation allowance may reduce the amount of any chargeable gain arising on a disposal of Ordinary Shares (but cannot give rise to or increase the amount of an allowable loss).

Stamp duty and stamp duty reserve tax

Transfers on sale of Ordinary Shares outside of CREST will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer, rounded up to the nearest £5. The purchaser normally pays the stamp duty.

An agreement to transfer Ordinary Shares will normally give rise to a charge to stamp duty reserve tax ("SDRT") at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. If a duly stamped transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

Paperless transfers of Ordinary Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. Such SDRT will generally be collected through the CREST system. Deposits of Ordinary Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration.

The issue of Ordinary Shares pursuant to the Issue should not generally be subject to UK stamp duty or SDRT.

ISAs, SIPPs and SSASs

Ordinary Shares acquired pursuant to the Offer for Subscription or in the secondary market (but not Ordinary Shares acquired directly under the Placing) should be qualifying investments for inclusion in an ISA.

For the 2014-15 tax year ISAs have an overall subscription limit of £15,000 (for the 2015-16 tax year it is anticipated that the overall subscription limit will be £15,240), all of which can be invested in stocks and shares, as which Ordinary Shares will qualify.

Investments held in ISAs will be free of UK tax on both capital gains and income. Sums received by a Shareholder on a disposal of Ordinary Shares would not count towards the Shareholder's annual limit; but a disposal of Ordinary Shares held in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year.

Individuals wishing to invest in Ordinary Shares through an ISA should contact their professional advisers regarding their eligibility.

The Directors have been advised that the Ordinary Shares should be eligible for inclusion in a SIPP or a SSAS, subject to the discretion of the trustees of the SIPP or the SSAS, as the case may be.

Information reporting

The UK has entered into international agreements with a number of jurisdictions which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, an Inter-governmental Agreement with the US in relation to FATCA and International Tax Compliance Agreements with Guernsey, Jersey, the Isle of Man and Gibraltar. In connection with such international agreements the Company may, among other things, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to tax authorities in other jurisdictions in accordance with the relevant international agreements.

PART 7

ADDITIONAL INFORMATION

1. The Company, the Manager and the Portfolio Manager

- 1.1 The Company was incorporated in England and Wales as a public limited company on 26 January 2015. The Company is registered as an investment company under section 833 of the Act with registered number 09405653. The Company has received a certificate under section 761 of the Act entitling it to commence business and to exercise its borrowing powers. Since its incorporation the Company has not commenced operations (other than entry into of the material contracts referred to at paragraph 7 of this Part 7), has not declared any dividend, and no financial statements have been made up. The Company is domiciled in England and Wales and currently has no employees.
- 1.2 The Company has no subsidiaries. The principal activity of the Company is to invest primarily in quoted and unquoted equities of companies incorporated or listed predominantly in the United Kingdom with a view to achieving the Company's investment objective.
- 1.3 The Company operates under the Act and is not regulated as a collective investment scheme by the FCA. Its registered office and principal place of business is at 40 Dukes Place, London EC3A 7NH, United Kingdom. The Company's telephone number is +44 (0)207 204 1601.
- 1.4 As a Company with its shares admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities, the Company will be subject to the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules and to the rules of the London Stock Exchange.
- 1.5 The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. In summary, the conditions that must be met for approval by HMRC as an investment trust, and which must continue to be met for each accounting period in respect of which the Company is approved as an investment trust, are that:
- the Company is not a close company at any time during the accounting period;
 - the Company is resident in the UK throughout that accounting period;
 - each class of the Company's ordinary share capital is admitted to trading on a regulated market throughout the accounting period; and
 - the Company must not retain in respect of the accounting period an amount greater than the higher of: (a) 15 per cent. of its income for the period; and (b) the amount of any income which the Company is required to retain in respect of the period by virtue of a restriction imposed by law. However, where the Company has relevant accumulated losses brought forward from previous accounting periods of an amount equal to or greater than the higher of the amounts mentioned in (a) and (b) above, it may retain an amount equal to the amount of such losses.
- 1.6 The Portfolio Manager is a limited liability partnership registered in England and Wales with registered number OC390366. The Portfolio Manager is authorised and regulated by the FCA (firm reference number 615282). The address of the registered office of the Portfolio Manager is 9400 Garsington Road, Oxford Business Park, Oxford OX4 2HN, United Kingdom and its telephone number is +44 (0)1865 809000.
- 1.7 The Manager is a limited liability company registered in England and Wales with registered number 01146888. The Manager is authorised and regulated by the FCA to act as the manager of the Company for the purposes of the AIFMD (firm reference number 119197). The address of the registered office of the Manager is 17 Rochester Row, Westminster, London SW1P 1QT, United Kingdom and its principal place of business is at 40 Dukes Place, London EC3A 7NH, United Kingdom. The Manager's telephone number is +44 (0)870 607 2555.

2. Share Capital

- 2.1 On incorporation, the issued share capital of the Company was £0.01 represented by one Ordinary Share, held by the Portfolio Manager as subscriber to the Company's memorandum of association.

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

	Aggregate Nominal Value (£)	Number
Redeemable shares	50,000	50,000
Ordinary Shares	0.01	1

The Ordinary Share is fully paid up. To enable the Company to obtain a certificate of entitlement to conduct business and to borrow under Section 761 of the Act, on 13 February 2015, 50,000 redeemable shares were allotted to the Portfolio Manager. The redeemable shares are paid up as to one quarter of their nominal value and will be redeemed immediately following Admission out of the proceeds of the Issue.

2.3 Set out below is the issued share capital of the Company as it will be following the Placing and Offer for Subscription (assuming that the target number of Ordinary Shares available under the Placing and Offer for Subscription are allotted):

	Aggregate Nominal Value (£)	Number
Ordinary Shares	2,000,000	200,000,000

All Ordinary Shares will be fully paid.

2.4 By special resolutions passed on 23 February 2015:

- (A) the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £5,000,000 in connection with the Placing and Offer for Subscription, such authority to expire at the conclusion of the first annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired;
- (B) the Directors were generally empowered (pursuant to section 570 of the Act) to allot Ordinary Shares for cash pursuant to the authority referred to in paragraph 2.4(A) above as if section 561 of the Act did not apply to any such allotment, such power to expire at the conclusion of the first annual general meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require Ordinary Shares to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power had not expired;
- (C) the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £500,000 or, if different, 10 per cent. of the aggregate nominal amount of the issued Ordinary Share capital of the Company immediately following the completion of the Placing and Offer for Subscription, such authority to expire at the conclusion of the first annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired;
- (D) the Directors were empowered (pursuant to sections 570 and 573 of the Act) to allot Ordinary Shares and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in paragraph 2.4(C) above as if section 561 of the Act did not apply to any such allotment or sale, such power to expire at the conclusion of the first annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or an agreement as if such power had not expired;
- (E) the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot Ordinary Shares in connection with any performance fees payable to the Portfolio Manager up to an aggregate nominal amount of £1,500,000 or, if different, 30 per cent. of the aggregate nominal amount of the

issued Ordinary Share capital of the Company immediately following the completion of the Placing and Offer for Subscription, such authority to expire at the end of the period of five years from the date of passing of the resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired;

- (F) the Directors were empowered (pursuant to sections 570 and 573 of the Act) to allot Ordinary Shares and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in paragraph 2.4(E) above as if section 561 of the Act did not apply to any such allotment or sale, such power to expire at the end of the period of five years from the date of passing of the resolution, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or an agreement as if such power had not expired;
 - (G) conditionally upon the issue of Ordinary Shares by the Company pursuant to the Placing and Offer for Subscription and the payment up in full thereof, it was resolved that, subject to the approval of the Court, all of the amount standing to the credit of the share premium account of the Company immediately following the Placing and Offer for Subscription be cancelled; and
 - (H) the Company was authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares, provided that the maximum number of Ordinary Shares authorised to be purchased is 14.99 per cent. of the issued Ordinary Shares following the conclusion of the Placing and Offer for Subscription. The minimum price which may be paid for an Ordinary Share is 1p. The maximum price which may be paid for an Ordinary Share must not be more than the higher of: (i) 5 per cent. above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made; or (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares. Such authority will expire on the earlier of the conclusion of the first annual general meeting of the Company and the date 18 months after the date on which the resolution was passed save that the Company may contract to purchase its Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase its Ordinary Shares in pursuance of such contract.
- 2.5 In accordance with the authority referred to in paragraph 2.4(A) above, it is expected that the Ordinary Shares in respect of the Placing and Offer for Subscription will be allotted pursuant to a resolution of the Board to be passed on or around 16 April 2015, conditional upon Admission.
- 2.6 The provisions of section 561 of the Act (which, to the extent not disapplied pursuant to section 570 of the Act, confer on Shareholders rights of pre-emption in respect of the allotment or sale of equity securities for cash) shall apply to any unissued share capital of the Company, except to the extent disapplied by the resolutions referred to in paragraphs 2.4(B), 2.4(D) and 2.4(F) above.
- 2.7 Save as disclosed in this paragraph 2, since the date of its incorporation: (i) there has been no alteration in the share capital of the Company; (ii) no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued for cash or any other consideration; and (iii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital and no share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option.
- 2.8 The Ordinary Shares, expected to be issued on 21 April 2015, will be in registered form. Temporary documents of title will not be issued. The ISIN of the Ordinary Shares is GB00BVG1CF25.
- 2.9 Applicants who have signed and returned Application Forms in respect of the Offer for Subscription may not withdraw their applications for Ordinary Shares subject to their statutory right of withdrawal in the event of the publication of a supplementary prospectus.

3. Articles of Association

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

3.1 *Objects*

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

3.2 *Variation of rights*

Subject to the provisions of the Act as amended and every other statute for the time being in force concerning companies and affecting the Company (the "Statutes"), if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class may be varied either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class (but not otherwise) and may be so varied either whilst the Company is a going concern or during or in contemplation of a winding-up. At every such separate general meeting the necessary quorum shall be at least two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (but at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum), any holder of shares of the class present in person or by proxy may demand a poll and every such holder shall on a poll have one vote for every share of the class held by him. Where the rights of some only of the shares of any class are to be varied, the foregoing provisions apply as if each group of shares of the class differently treated formed a separate class whose rights are to be varied.

3.3 *Alteration of share capital*

The Company may by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;
- (b) sub-divide its shares, or any of them, into shares of smaller nominal value than its existing shares; and
- (c) determine that, as between the shares resulting from such a sub-division, one or more shares may, as compared with the others, have any such preferred, deferred or other rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.

3.4 *Issue of shares*

Subject to the provisions of the Act and without prejudice to any rights attaching to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine (or if the Company has not so determined, as the Directors may determine).

3.5 *Dividends*

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

Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. In any other case, dividends shall be apportioned and paid proportionately to the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid.

3.6 *Voting rights*

Subject to any rights or restrictions attached to any shares, on a show of hands every shareholder present in person has one vote and every proxy present who has been duly appointed by a shareholder entitled to vote has one vote, and on a poll every shareholder (whether present in person or by proxy) has one vote for every share of which he is the holder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote shall be accepted to the exclusion of the vote of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the Register.

No shareholder shall have any right to vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.

3.7 *Transfer of shares*

A share in certificated form may be transferred by an instrument of transfer, which may be in any usual form or in any other form approved by the Directors, executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. A share in uncertificated form may be transferred by means of the relevant electronic system concerned.

In their absolute discretion, the Directors may refuse to register the transfer of a share in certificated form which is not fully paid provided that if the share is listed on the Official List such refusal does not prevent dealings in the shares from taking place on an open and proper basis. The Directors may also refuse to register a transfer of a share in certificated form unless the instrument of transfer:

- is lodged, duly stamped, at the registered office of the Company or such other place as the Directors may appoint and is accompanied by the certificate for the share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- is in respect of only one class of share; and
- is not in favour of more than four transferees.

The Directors may refuse to register a transfer of a share in uncertificated form in any case where the Company is entitled to refuse to register the transfer under the CREST Regulations provided that such refusal does not prevent dealings in the shares from taking place on an open and proper basis.

If the Directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company or, in the case of an uncertificated share, the date on which the appropriate instruction was received by or on behalf of the Company in accordance with the CREST Regulations send to the transferee notice of refusal.

No fee shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any share.

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as “plan assets” of any Benefit Plan Investor; (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to be registered or qualified under the US Investment Company Act and/or the US Investment Advisers Act of 1940 and/or the Securities Act and/or the US Exchange Act of 1934 and/or any similar legislation (in any jurisdiction) that regulates the offering and sale of securities; (iii) may cause the Company not to be considered a “Foreign Private Issuer” under the US Exchange Act of 1934; (iv) may cause the Company to be a “controlled foreign corporation” for the purpose of the US Tax Code; or (v) may cause the Company to become subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction, or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligation), then the Directors may declare the Shareholder in question a “**Non-Qualified Holder**” and the Directors may require that any shares held by such Shareholder

(“**Prohibited Shares**”) (unless the Shareholder concerned satisfies the Directors that he is not a Non-Qualified Holder) be transferred to another person who is not a Non-Qualified Holder, failing which the Company may itself dispose of such Prohibited Shares at the best price reasonably obtainable and pay the net proceeds to the former holder.

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

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

3.9 ***Restrictions on rights: failure to respond to a section 793 notice***

If a shareholder, or any other person appearing to be interested in shares held by that shareholder, fails to provide the information requested in a notice given to him under section 793 of the Act by the Company in relation his interest in shares (the “default shares”) within 28 days of the notice (or, where the default shares represent at least 0.25 per cent. of their class, 14 days of the notice), sanctions shall apply unless the Directors determine otherwise. The sanctions available are the suspension of the right to attend or vote (whether in person or by representative or proxy) at any general meeting or any separate meeting of the holders of any class or on any poll and, where the default shares represent at least 0.25 per cent. of their class (excluding treasury shares), the withholding of any dividend payable in respect of those shares and the restriction of the transfer of those shares (subject to certain exceptions).

3.10 ***Untraced shareholders***

Subject to various notice requirements, the Company may sell any of a shareholder’s shares if, during a period of 12 years, at least three dividends (either interim or final) on such shares have become payable and no cheque for amounts payable in respect of such shares has been presented and no warrant or other method of payment has been effected and no communication has been received by the Company from the shareholder or person concerned.

3.11 ***Appointment of Directors***

Unless the Company determines otherwise by ordinary resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall not be less than two.

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

3.12 ***Powers of Directors***

The business of the Company shall be managed by the Directors who, subject to the provisions of the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company.

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

3.13 ***Voting at board meetings***

No business shall be transacted at any meeting of the Directors unless a quorum is present and the quorum may be fixed by the Directors; unless so fixed at any other number the quorum shall be two. A Director shall not be counted in the quorum present in relation to a matter or resolution on which he is not entitled to vote but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting. An alternate Director who is not himself a Director shall, if his appointor is not present, be counted in the quorum.

Questions arising at a meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

3.14 ***Restrictions on voting***

Subject to any other provision of the Articles, a Director shall not vote at a meeting of the Directors on any resolution concerning a matter in which he has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, the Company) unless his interest arises only because the case falls within certain limited categories specified in the Articles.

3.15 ***Directors' interests***

Subject to the provisions of the Act and provided that the Director has disclosed to the other Directors the nature and extent of any material interest of his, a Director, notwithstanding his office, may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested and may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested.

3.16 ***Indemnity***

Subject to the provisions of the Act, the Company may indemnify any person who is a Director, secretary or other officer (other than an auditor) of the Company, against: (a) any liability whether in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any associated company; or (b) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office; and purchase and maintain insurance for any person who is a Director, secretary or other officer (other than an auditor) of the Company in relation to anything done or omitted to be done or alleged to have been done or omitted to be done as Director, secretary or officer.

3.17 ***General meetings***

In the case of the annual general meeting, 21 clear days' notice at the least shall be given to all the members and to the auditors. All other general meetings shall also be convened by not less than 21 clear days' notice to all those members and to the auditors unless the Company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than 14 clear days has been passed in which case a general meeting may be convened by not less than 14 clear days' notice in writing.

No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a shareholder or a proxy for a shareholder or a duly authorised representative of a corporation which is a shareholder (including for this purpose two persons who are proxies or corporate representatives of the same shareholder), shall be a quorum.

A shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. A shareholder may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. Subject to the provisions of the Act, any corporation (other than the Company itself) which is a shareholder may, by resolution of its directors or other governing body, authorise such person(s) to act as its representative(s) at any meeting of the Company, or at any separate meeting of the holders of any class of shares.

Delivery of an appointment of proxy shall not preclude a shareholder from attending and voting at the meeting or at any adjournment of it.

Directors may attend and speak at general meetings and at any separate meeting of the holders of any class of shares, whether or not they are shareholders.

A poll on a resolution may be demanded at a general meeting either before a vote on a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared. A poll may be demanded by the Chairman or by: (a) not less than two members having the right to vote at the meeting; or (b) a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or (c) a member or members holding shares conferring a right to vote at the meeting, being shares on which an

aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

4. City Code on Takeovers and Mergers

4.1 Mandatory bid

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

- (a) a person acquires an interest in Ordinary Shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- (b) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in Ordinary Shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding Ordinary Shares at a price not less than the highest price paid for any interests in the Ordinary Shares by the acquirer or its concert parties during the previous 12 months.

4.2 Compulsory Acquisition

Under sections 974 to 991 of the Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to holders of outstanding shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the holders of outstanding shares. The consideration offered to the holders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

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

5. Interests of Directors, major shareholders and related party transactions

- 5.1 The Directors intend to subscribe for Ordinary Shares pursuant to the Issue in the amounts set out below:

Name	Number of Ordinary Shares	Percentage of issued Ordinary Share capital ⁽¹⁾
Susan Searle	40,000	0.02
Scott Brown	27,000	0.01
Steven Harris	50,000	0.03
Louise Makin	15,000	0.01

(1) Assuming that the Issue is subscribed as to 200 million Ordinary Shares.

Save as disclosed in this paragraph, immediately following Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

- 5.2 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company.

The Directors' appointments can be terminated in accordance with the Articles and without compensation. The Directors are subject to retirement by rotation in accordance with the Articles.

There is no notice period specified in the letters of appointment or Articles for the removal of Directors. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) written request of all of the other Directors.

- 5.3 The Directors' current level of remuneration is £27,000 per annum for each Director, with the chairman of the audit committee receiving an additional fee of £5,000 per annum. The Chairman's fee is £40,000 per annum.

There are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits.

- 5.4 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.

- 5.5 Over the five years preceding the date of this Prospectus, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of the following administrative, management or supervisory bodies and/or partnerships:

Name	Current	Previous
Susan Searle	Benchmark Holdings plc Fight for Sight Horizon Discovery Group plc Mercia Technologies plc QinetiQ plc SS Businesses Limited	Brightstar Financial Management Limited Evo Electric Limited i2 India Ventures Private Limited Imperial College Company Maker Limited Imperial Innovations Group plc Imperial Innovations Investments Limited Imperial Innovations Limited Macsko 21 Limited Plaxica Limited
Scott Brown	Nexeon Limited Stanley Dock (All Suite) Regeneration LLP	None
Steven Harris	Adiga Life Sciences Inc. Circassia Pharma Limited Circassia Pharmaceuticals Inc. Circassia Pharmaceuticals plc Headington School Oxford Limited Synchrony Pharma Ltd.	BioIndustry Association Circassia Limited
Louise Makin	Biocompatibles International Limited Biocompatibles UK Limited BTG plc BTG International Healthcare Limited BTG International Healthcare, LLC BTG International Limited BTG International (Holdings) Limited BTG Management Services Limited Intertek Group plc Outward Bound Global The Outward Bound Trust Provensis Limited Protherics Medicines Development Limited Protherics UK Limited	British Technology Group Inter-Corporate Licensing Limited BTG Investment (Holdings) Limited De Montfort Biopharma Limited Enact Pharma Limited Enzacta Limited Enzacta R & D Limited Genethics Limited Kymed GB Limited Polyclonal Antibodies Limited Premier Foods plc Proteus Biotechnology Limited Tab London Limited Tab Wales Limited

- 5.6 Save as disclosed in paragraph 5.7 below, the Directors in the five years before the date of this Prospectus:

- do not have any convictions in relation to fraudulent offences;
- have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative,

management or supervisory body or as a partner, founder or senior manager of such partnership or company; and

- do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

- 5.7 Susan Searle was previously a director of Adaptive Profiling Limited, which went into creditors' voluntary liquidation in 2004.
- 5.8 As at the Latest Practicable Date, insofar as known to the Company, there are no parties known to have a notifiable interest under English law in the Company's capital or voting rights.
- 5.9 All Shareholders have the same voting rights in respect of the share capital of the Company.
- 5.10 Pending the allotment of Ordinary Shares pursuant to the Issue, the Company is controlled by the Portfolio Manager, as described in paragraph 2.1 of this Part 7 above. The Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 5.11 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.
- 5.12 Save for the entry into of the Portfolio Management Services Agreement, the Company has not entered into any related party transaction at any time since incorporation.
- 5.13 As at the date of this Prospectus, none of the Directors has any conflict of interest or potential conflicts of interest between any duties to the Company and his private interests and any other duties. The Portfolio Manager, any of its directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an "**Interested Party**") may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest.

6. Investment restrictions

The Company will at all times invest and manage its assets with the objective of spreading risk and in accordance with its published investment policy as set out in Part 2 of this Prospectus.

In order to comply with the current Listing Rules, the Company will not invest more than 10 per cent. of its Gross Assets in other listed closed-ended investment funds, whether managed by the Manager or the Portfolio Manager or not, except that this restriction shall not apply to investments in listed closed-ended investment funds which themselves have stated investment policies to invest no more than 15 per cent. of their gross assets in other listed closed-ended investment funds. In addition to this restriction, the Directors have further determined that no more than 10 per cent. of the Company's Gross Assets will, at the time of acquisition, be invested in other listed closed-ended investment funds (including investment trusts) notwithstanding whether or not such funds have stated policies to invest no more than 15 per cent. of their gross assets in other listed closed-ended investment funds.

The Company must not conduct any trading activity which is significant in the context of its group as a whole.

7. Material contracts

Save as described below, the Company has not: (i) entered into any material contracts (other than contracts in the ordinary course of business) within the two years immediately preceding the publication of this Prospectus; or (ii) entered into any contracts that contain provisions under which the Company has any obligation or entitlement that is material to the Company as at the date of this Prospectus.

7.1 *Placing and Offer Agreement*

The Placing and Offer Agreement dated 24 February 2015 between the Company, the Portfolio Manager, the Directors and Winterflood, pursuant to which, subject to certain conditions, Winterflood has agreed to use reasonable endeavours to procure subscribers for Ordinary Shares at the Issue Price.

The Placing and Offer Agreement may be terminated by Winterflood in certain customary circumstances prior to Admission. The Company has appointed Winterflood as UKLA sponsor, financial adviser and placing agent to the Company in connection with the Issue.

The obligation of Winterflood to use its reasonable endeavours to procure subscribers for Ordinary Shares is conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 21 April 2015 (or such later time and/or date, not being later than 31 May 2015, as the Company and Winterflood may agree); and (ii) the Placing and Offer Agreement not having been terminated in accordance with its terms.

Conditional upon completion of the Issue, Winterflood will be paid a commission by the Company in consideration for its services in relation to the Issue.

The Company, the Directors and the Portfolio Manager have given warranties to Winterflood concerning, *inter alia*, the accuracy of the information contained in this Prospectus. The Company and the Portfolio Manager have also given indemnities to Winterflood. The warranties and indemnities given by the Company and the Portfolio Manager are standard for an agreement of this nature.

The Placing and Offer Agreement is governed by the laws of England and Wales.

7.2 ***Portfolio Management Services Agreement***

The Portfolio Management Services Agreement dated 24 February 2015 between the Company, the Manager and the Portfolio Manager, whereby the Portfolio Manager is appointed to act as investment manager of the Company with responsibility to manage the assets of the Company and to advise the Manager on a day to day basis in accordance with the investment policy of the Company and subject to the overall policies and communicated directions of the Manager, which shall at all times be in accordance with the investment policy and investment restrictions of the Company. Under the terms of the Portfolio Management Services Agreement, the Portfolio Manager has discretion to buy, sell, retain, exchange or otherwise deal in investment assets for the account of the Company.

Under the terms of the Portfolio Management Services Agreement and with effect from Admission, the Portfolio Manager may be entitled to a performance fee as set out in paragraph 5 of Part 4 of this Prospectus. The Portfolio Manager has agreed that any performance fee payable to it in respect of a given Performance Period shall be satisfied by the issue of Performance Fee Shares, as to 80 per cent., and cash, as to the remaining 20 per cent. Any Performance Fee Shares shall be issued within 20 Business Days of publication of the audited NAV as at the end of each Performance Period. The issue price of such Performance Fee Shares will be the prevailing Net Asset Value per Ordinary Share at the time of issue. Any Performance Fee Shares shall be issued to the Portfolio Manager, or as it may direct, and will be subject to the provisions of the Lock-In Agreement.

Pursuant to the Portfolio Management Services Agreement, the Company and the Portfolio Manager have agreed that to the extent that Ordinary Shares acquired and held by the Portfolio Manager, and any parties acting in concert with it (within the meaning of the Takeover Code), would exceed (in aggregate) 29.99 per cent. of the total number of Ordinary Shares in issue, any performance fee to which the Portfolio Manager is entitled shall be paid in cash.

The Portfolio Manager is also entitled to reimbursement of reasonable expenses incurred by it in the performance of its duties.

The Portfolio Management Services Agreement is terminable by either the Portfolio Manager or the Manager giving to the other not less than three months' written notice, such notice not to expire earlier than the third anniversary of Admission. The Portfolio Management Services Agreement may be terminated earlier by the Manager with immediate effect on the occurrence of certain events, including: (i) if the Portfolio Manager goes into liquidation (other than a voluntary liquidation for the purposes of reconstruction or amalgamation previously approved in writing by the Manager such approval not to be unreasonably withheld or delayed) or if a receiver or administrative receiver is appointed over the whole or any substantial part of the assets or undertaking of the Portfolio Manager or an administrator is appointed of the Portfolio Manager; or (ii) if the Portfolio Manager shall commit any material breach of its obligations under the Portfolio Management Services Agreement and (if such breach shall be capable of remedy) shall fail within 30 days of receipt of notice served by the Manager requiring it so to do to make good such breach; or (iii) if Neil

Woodford ceases to be an officer or employee of the Portfolio Manager and within three months of his departure he is not replaced by a person or persons whom the Manager considers, in its absolute discretion (but acting reasonably), to be of equal or satisfactory standing; or (iv) upon the Portfolio Manager ceasing to be authorised for the purposes of FSMA or no longer having any permissions required of it for the purposes of carrying out its obligations under the Portfolio Management Services Agreement. The Portfolio Management Services Agreement shall terminate immediately if the Management Agreement is terminated for whatever reason.

The Company has agreed to hold harmless and indemnify the Portfolio Manager against all actions, proceedings, claims and costs, demands and expenses incidental thereto which may be brought against, suffered or incurred by the Portfolio Manager by reason of the proper performance of its duties in accordance with the terms of the Portfolio Management Services Agreement in each case including all reasonable legal, professional and other expenses properly incurred in connection therewith, except as shall arise from the fraud, wilful default or negligence of the Portfolio Manager or any material breach of the Portfolio Management Services Agreement or the rules of the FCA.

The Portfolio Management Services Agreement is governed by the laws of England and Wales.

7.3 *Management Agreement*

The Management Agreement dated 24 February 2015 between the Company and the Manager, whereby the Manager is appointed to act as manager of the Company for the purposes of the AIFMD subject to the overall control and supervision of the Board. The Manager has delegated responsibility for the management of the Company's portfolio to the Portfolio Manager, by way of the Portfolio Management Services Agreement.

Under the terms of the Management Agreement and with effect from Admission, the Manager shall be entitled to receive from the Company a management fee of between 0.0125 per cent. and 0.06 per cent. of Gross Assets payable monthly in arrears, subject to a minimum fee of £6,250 per month (subject to an annual increase in line with the retail price index). Such fee is exclusive of VAT and where applicable VAT will be added and payable at the then applicable rate. The Manager is also entitled to reimbursement of reasonable expenses incurred by it in the performance of its duties.

The Management Agreement is terminable by either the Manager or the Company giving to the other not less than three months' written notice, such notice not to expire earlier than the third anniversary of Admission. The Management Agreement may be terminated earlier by the Company with immediate effect on the occurrence of certain events, including: (i) if the Manager goes into liquidation (other than a voluntary liquidation for the purposes of reconstruction or amalgamation previously approved in writing by the Company such approval not to be unreasonably withheld or delayed) or if a receiver or administrative receiver is appointed over the whole or any substantial part of the assets or undertaking of the Manager or an administrator is appointed of the Manager; or (ii) if the Manager shall commit any material breach of its obligations under the Management Agreement and (if such breach shall be capable of remedy) shall fail within 30 days of receipt of notice served by the Company requiring it so to do to make good such breach; or (iii) if Neil Woodford ceases to be an officer or employee of the Portfolio Manager and within three months of his departure he is not replaced by a person or persons whom the Company considers, in its absolute discretion (but acting reasonably), to be of equal or satisfactory standing; or (iv) upon the Manager ceasing to be authorised for the purposes of FSMA or no longer having any permissions required of it for the purposes of carrying out its obligations under the Management Agreement. The Management Agreement shall terminate immediately if the Portfolio Management Services Agreement is terminated for whatever reason.

The Company has agreed to hold harmless and indemnify the Manager against all actions, proceedings, claims and costs, demands and expenses incidental thereto which may be brought against, suffered or incurred by the Manager by reason of the proper performance of its duties in accordance with the terms of the Management Agreement in each case including all reasonable legal, professional and other expenses properly incurred in connection therewith, except as shall arise from the fraud, wilful default or negligence of the Manager or any material breach of the Management Agreement or the rules of the FCA.

The Management Agreement is governed by the laws of England and Wales.

7.4 *Administration Agreement*

The Administration Agreement between the Company and the Administrator dated 24 February 2015, pursuant to which the Administrator has agreed to provide certain administrative services to the Company.

Under the agreement, the Administrator shall provide general fund administration services (including calculation of the NAV), bookkeeping and accounts preparation.

Under the terms of the Administration Agreement, the Administrator is entitled to customary fees. The Administrator will also be entitled to reimbursement of all out of pocket costs and expenses reasonably and properly incurred by it in providing its services under the agreement.

The Company may terminate the Administration Agreement by giving not less than six months' prior written notice to the Administrator. The Administrator may terminate the agreement by giving not less than 12 months' prior written notice to the Company. Either party may terminate the agreement immediately by written notice to the other if: (a) the other party is in material breach of the agreement and that party has neither made material progress to remedy the breach nor actually remedied the breach within 30 days of receipt of written notice specifying the breach; or (b) in certain standard insolvency events.

The Company has agreed to indemnify the Administrator, its officers, employees, agents, sub-contractors and representatives for costs, expenses, losses and liabilities arising out of the Administrator's proper performance of the agreement, the acts or omissions of any other person engaged by the Company or out of any claim brought or threatened against the Administrator by an investor in or a secured creditor to the Company.

The Administration Agreement is governed by the laws of England and Wales.

7.5 *Company Secretarial Services Agreement*

The Company Secretarial Services Agreement between the Company and Capita Registrars Limited on behalf of the Company Secretary dated 24 February 2015, pursuant to which Capita Registrars Limited has agreed to provide certain company secretarial services to the Company and the Company Secretary is the named company secretary of the Company.

Under the terms of the Company Secretarial Services Agreement, the Company Secretary is entitled to customary fees. The Company Secretary will also be entitled to reimbursement of all reasonable out of pocket expenses incurred by it in providing its services under the agreement.

The Company Secretarial Services Agreement is for an initial period of 12 months from the date of the agreement and thereafter shall automatically renew for successive periods of 12 months unless or until terminated by either party on at least six months' written notice, such notice to expire at the end of the initial period or any successive 12 month period. In addition, either party may terminate the Company Secretarial Services Agreement:

- (i) by service of three months' written notice should the parties not reach an agreement regarding any increase of the fees payable under the Company Secretarial Services Agreement; or
- (ii) upon service of written notice if the other party commits a material breach of its obligations under the Company Secretarial Services Agreement (including any payment default) which that party has failed to remedy within 45 days of receipt of a written notice to do so from the first party; or
- (iii) upon service of written notice if a resolution is passed or an order made for the winding-up, dissolution or administration of the other party, or if the other party is declared insolvent or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a substantial part of the other party or its assets or undertakings.

The Company Secretarial Services Agreement limits the Company Secretary's liability thereunder to the lesser of £500,000 or an amount equal to five times the annual fee payable to the Company Secretary pursuant to the Company Secretarial Services Agreement. The Company has agreed to indemnify, defend and hold harmless the Company Secretary, its directors, officers, employees and agents from and against all losses, damages, liabilities, professional fees, court costs and expenses resulting or arising from the Company's breach of the agreement and, in addition, any third-party

claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the agreement, except to the extent such losses are determined to have resulted solely from fraud, wilful default or negligence on the Company Secretary's part.

The Company Secretarial Agreement is governed by the laws of England and Wales.

7.6 ***Receiving Agent Agreement***

The Receiving Agent Agreement between the Company and the Receiving Agent dated 24 February 2015, pursuant to which the Receiving Agent has agreed to provide receiving agent duties and services to the Company in respect of the Issue.

Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to customary fees. The Receiving Agent will also be entitled to reimbursement of all reasonable out of pocket expenses incurred by it in connection with its duties. These fees will be for the account of the Company.

The Receiving Agent Agreement contains a provision whereby the Company indemnifies the Receiving Agent against any and all losses, damages, liabilities, professional fees, court costs and expenses resulting or arising from the Company's breach of the agreement and, in addition, any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the agreement or the services provided thereunder, except to the extent such losses are determined to have resulted solely from fraud, wilful default or negligence on the Receiving Agent's part.

The Receiving Agent Agreement is governed by the laws of England and Wales.

7.7 ***Registrar Agreement***

The Registrar Agreement between the Company and the Registrar dated 24 February 2015, pursuant to which the Registrar has been appointed as registrar to the Company. The Registrar shall be entitled to receive customary fees. The Registrar shall also be entitled to reimbursement of all reasonable out of pocket expenses incurred in connection with the provision of services under the Registrar Agreement.

The Registrar Agreement is for an initial period of three years from the date of Admission and thereafter shall automatically renew for successive periods of 12 months unless or until terminated by either party on at least six months' written notice, such notice to expire at the end of the initial period or any successive 12 month period. In addition, either party may terminate the Registrar Agreement:

- (i) by service of three months' written notice should the parties not reach an agreement regarding any increase of the fees payable under the Registrar Agreement; or
- (ii) upon service of written notice if the other party commits a material breach of its obligations under the Registrar Agreement (including any payment default) which that party has failed to remedy within 45 days of receipt of a written notice to do so from the first party; or
- (iii) upon service of written notice if a resolution is passed or an order made for the winding-up, dissolution or administration of the other party, or if the other party is declared insolvent or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a substantial part of the other party or its assets or undertakings.

The Registrar Agreement limits the Registrar's liability thereunder to the lesser of £500,000 or an amount equal to five times the annual fee payable to the Registrar pursuant to the Registrar Agreement. The Company indemnifies the Registrar against all claims relating to or arising from or in connection with the Registrar Agreement, save in the case of fraud, wilful default or negligence on the part of the Registrar.

The Registrar Agreement is governed by the laws of England and Wales.

7.8 ***Depositary Agreement***

The Depositary Agreement dated 24 February 2015, between the Company, the Manager and the Depositary, pursuant to which the Depositary is appointed as the Company's depositary for the purposes of the AIFMD.

Under the terms of the Depositary Agreement, the Depositary is entitled to be paid customary fees. In addition to these fees, the Depositary is entitled to debit the Company's accounts in order to be reimbursed for certain expenses reasonably incurred in the proper performance of its duties under the agreement.

The Depositary Agreement provides for the Depositary, its affiliates and their respective directors, officers and employees to be indemnified by the Company from any and all losses, damages, liabilities and all reasonable and proper costs and expenses and any claim arising out of or in connection with any act or omission taken by the Depositary pursuant to the agreement, except where the Depositary is liable for such loss, damage, liability, cost or expense pursuant to the terms of the Depositary Agreement, or in the case of negligence, fraud, wilful default or breach of the agreement by the Depositary, any affiliate of it, or any of their respective directors, officers and employees.

In accordance with the terms of the Depositary Agreement, and subject to the provisions of the AIFMD, the Depositary may delegate its safe-keeping functions in relation to securities and other assets of the Company. The liability of the Depositary shall in principle not be affected by any delegation of its custody function and the Depositary shall be liable to the Company or its investors for the loss of securities by the Depositary or a third party to whom the custody of securities has been delegated. The Depositary may discharge its responsibility in case of a loss of a security: (i) in the event that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; (ii) where it has contractually discharged its responsibility in compliance with article 21(13) of the AIFMD; or (iii) in compliance with the conditions set out under article 21(14) of the AIFMD where the laws of a third country require that certain financial instruments be held by a local entity and there are no local entities that satisfy the delegation requirements of article 21(11) of the AIFMD. Save as aforesaid, the Depositary shall be liable to the Company for any loss or liability incurred by the Company as a consequence of the Depositary's negligent or intentional failure to fulfil its obligations pursuant to the AIFMD. In the absence of the Depositary's negligence or intentional failure fulfilling its obligations pursuant to the AIFMD, the Depositary shall not be liable to the Company or any other person with respect to any act or omission in connection with the services provided under the Depositary Agreement. Under no circumstances shall the Depositary be liable to the Company or any other person for special, indirect, punitive or consequential loss or damage.

The Depositary Agreement is terminable by the Company, the Manager or the Depositary giving to the other parties not less than six months' written notice.

The Depositary Agreement is governed by the laws of England and Wales.

7.9 Lock-In Agreement

By way of a deed between the Portfolio Manager, the Company and Winterflood dated 24 February 2015, the Portfolio Manager has agreed that it will not sell, grant options over or otherwise dispose of any interest in any Ordinary Shares issued to it in satisfaction of its entitlement to a performance fee (save in certain circumstances, including: (i) in order to pay any tax liabilities of the Portfolio Manager, its members or any person who accedes to the agreement for the purpose of giving the undertakings therein, arising in connection with the award to it of any performance fees (including such Performance Fee Shares); (ii) in acceptance of a general offer made for the entire issued and to be issued share capital of the Company; or (iii) pursuant to an intervening court order or as required by any other competent authority) prior to the first anniversary of the date of issue of the relevant Performance Fee Shares.

The Portfolio Manager has agreed to procure that, where the Portfolio Manager directs that any Performance Fee Shares be issued to any person other than the Portfolio Manager, it shall procure that such person accede to the terms of the Lock-In Agreement as a condition precedent to any such issue of Performance Fee Shares.

The Lock-In Agreement is governed by the laws of England and Wales.

8. Litigation

There are no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.

9. Significant change

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

10. Working capital

The Company is of the opinion that, taking into account the Minimum Net Proceeds, the working capital available to it is sufficient for its present requirements, that is for at least 12 months from the date of this Prospectus.

If the Minimum Net Proceeds are not raised, the Issue may only proceed where a supplementary prospectus (including a working capital statement based on a revised minimum net proceeds figure) has been prepared in relation to the Company and approved by the UKLA.

11. Capitalisation and indebtedness

As at the date of this Prospectus, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness and there have been no material changes to the Company's capitalisation from the date of incorporation to the date of this Prospectus.

12. General

- 12.1 Where information has been sourced from third parties, the Company confirms that this information has been accurately reproduced and that, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 12.2 The Portfolio Manager has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which they appear. The Portfolio Manager accepts responsibility for the information attributed to it in this Prospectus, including without limitation the information contained in Part 3 of this Prospectus and the information contained in paragraph 2 of Part 4 under the heading "Portfolio Manager", and declares that, having taken all reasonable care to ensure that such is the case, the information attributed to it in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.
- 12.3 Winterflood has given and not withdrawn its written consent to the publication of this Prospectus with the inclusion of its name and references to it in the form and context in which they appear.
- 12.4 The Manager has given and not withdrawn its written consent to the publication of this Prospectus with the inclusion of its name and references to it in the form and context in which they appear.
- 12.5 The effect of the Issue will be to increase the net assets of the Company. On the assumption that the Issue is subscribed as to 200 million Ordinary Shares, the fundraising is expected to increase the net assets of the Company by approximately £197 million.

13. Auditors

The auditors to the Company are Grant Thornton UK LLP of 30 Finsbury Square, London EC2P 2YU, United Kingdom. Grant Thornton UK LLP is registered to carry on audit work by The Institute of Chartered Accountants in England and Wales (ICAEW). The firm is a member of the ICAEW Practice Assurance scheme and is subject to the jurisdiction of The Accountancy and Actuarial Discipline Board.

14. Depositary

The Depositary is Northern Trust Global Services Limited. The Depositary is a private limited company incorporated in England and Wales with company registration number 04795756 and is subject to the Act. The Depositary's registered office is at 50 Bank Street, Canary Wharf, London E14 5NT, United Kingdom and its phone number is +44 (0)20 7982 2000. The Depositary is authorised by the Prudential Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The ultimate holding company of the Depositary is Northern Trust Corporation, Chicago, USA. The principal business of the Depositary is the provision of custody services, fund administration, banking, depositary services and other financial services including borrowing, stock lending and holding money as banker.

Northern Trust Global Services Limited (“NTGSL”) has also been appointed as Administrator of the Company and, in that role, NTGSL will perform fund valuation and accounting services. NTGSL has functionally and hierarchically separated the performance of its Depositary functions from its tasks as Administrator.

15. Documents on display

The following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH until the date of Admission:

15.1 this Prospectus; and

15.2 the Articles.

Dated 24 February 2015

PART 8

TERMS AND CONDITIONS OF APPLICATION UNDER THE PLACING

1. Introduction

Each Placee which confirms its agreement to the Company and/or Winterflood to subscribe for Ordinary Shares under the Placing will be bound by these terms and conditions and will be deemed to have accepted them.

The Company and/or Winterflood may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it/they (in its/their absolute discretion) sees fit.

2. Agreement to subscribe for Ordinary Shares

Conditional on: (i) Admission of the Ordinary Shares occurring and becoming effective by 8.00 a.m. (London time) on or prior to 21 April 2015 (or such later time and/or date, not being later than 8.00 a.m. on 31 May 2015, as the Company and Winterflood may agree); (ii) the Placing and Offer Agreement becoming otherwise unconditional in all respects and not having been terminated on or before the date of such Admission; and (iii) Winterflood confirming to the Placees their allocation of Ordinary Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares allocated to it by Winterflood at the Issue Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

3. Payment for Ordinary Shares

3.1 Each Placee must pay the Issue Price for the Ordinary Shares issued to the Placee in the manner and by the time directed by Winterflood. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for Ordinary Shares may, at the discretion of Winterflood, either be rejected or accepted and in the latter case paragraph 3.2 of these terms and conditions shall apply.

3.2 Each Placee is deemed to agree that if it does not comply with its obligation to pay the Issue Price for the Ordinary Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and Winterflood elects to accept that Placee's application, Winterflood may sell all or any of the Ordinary Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for Winterflood's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Ordinary Shares on such Placee's behalf.

4. Representations and warranties

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

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

will result in the Company, the Portfolio Manager, Winterflood or the Registrar or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;

- (c) it has carefully read and understands this Prospectus in its entirety and acknowledges that it is acquiring Ordinary Shares on the terms and subject to the conditions set out in this Part 8 and the Articles as in force at the date of Admission;
- (d) it has not relied on Winterflood or any person affiliated with Winterflood in connection with any investigation of the accuracy of any information contained in this Prospectus;
- (e) the content of this Prospectus is the responsibility of the Company and its Directors and neither Winterflood nor any person acting on their respective behalf nor any of their respective affiliates are responsible for or shall have any liability for any information, representation or statement contained in this Prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Placing based on any information, representation or statement contained in this Prospectus or otherwise;
- (f) it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Portfolio Manager or Winterflood;
- (g) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);
- (h) it accepts that none of the Ordinary Shares have been or will be registered under the laws of the United States, Canada, Australia or Japan. Accordingly, the Ordinary Shares may not be offered, sold, issued or delivered, directly or indirectly, within any of the United States, Canada, Australia or Japan unless an exemption from any registration requirement is available;
- (i) if it is within the United Kingdom, it is: (i) a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the Ordinary Shares may otherwise lawfully be offered under such Order or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the Ordinary Shares may be lawfully offered under that other jurisdiction's laws and regulations; or (ii) a person who is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook;
- (j) if it is a resident in the EEA (other than the United Kingdom): (a) it is a qualified investor within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of Directive 2003/71/EC; and (b) if that relevant Member State has implemented the AIFMD, that it is a person to whom the Ordinary Shares may lawfully be marketed under the AIFMD or under the applicable implementing legislation (if any) of that relevant Member State;
- (k) if it is within the Bailiwick of Guernsey, it is a person licensed under any of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended), the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended), or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended);
- (l) in the case of any Ordinary Shares acquired by a Placee as a financial intermediary within the EEA (other than the United Kingdom) as that term is used in article 3(2) of the Prospectus Directive: (i) the Ordinary Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive 2010/73/EU, or in circumstances in which the prior consent of Winterflood has been given to the offer or resale; or (ii) where Ordinary Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those Ordinary Shares to it is not treated under the Prospectus Directive as having been made to such persons;

- (m) if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Ordinary Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Ordinary Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- (n) it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Ordinary Shares and it is not acting on a non-discretionary basis for any such person;
- (o) if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee's agreement to subscribe for Ordinary Shares under the Placing and will not be any such person on the date any such agreement to subscribe under the Placing is accepted;
- (p) it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other offering materials concerning the Placing or the Ordinary Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;
- (q) it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading "United States Purchase and Transfer Restrictions" in paragraph 5, below;
- (r) it acknowledges that neither Winterflood nor any of its respective affiliates, nor any person acting on Winterflood's behalf is making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and its participation in the Placing is on the basis that it is not and will not be a client of Winterflood and that neither Winterflood has any duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertaking or indemnities otherwise required to be given by it in connection with its application under the Placing;
- (s) that, save in the event of fraud on the part of the Winterflood, none of Winterflood, its ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members partners, officers and employees shall be responsible or liable to a Placee or any of its clients for any matter arising out of Winterflood's role as sponsor, placing agent and broker or otherwise in connection with the Placing and that were any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients will immediately waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;
- (t) it acknowledges that where it is subscribing for Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Ordinary Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this Prospectus; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or Winterflood. It agrees that the provision of this paragraph shall survive any resale of the Ordinary Shares by or on behalf of any such account;
- (u) it irrevocably appoints any director of the Company and any director of Winterflood to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Ordinary Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;
- (v) it accepts that if the Placing does not proceed or the conditions to the Placing and Offer Agreement are not satisfied or the Ordinary Shares for which valid applications are received and accepted are not admitted to the Official List of the FCA and to trading on the London Stock Exchange for any reason whatsoever then none of Winterflood or the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;

- (w) in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering (“**Money Laundering Legislation**”) and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing) (the “**Money Laundering Directive**”), together with any regulations and guidance notes issued pursuant thereto; or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- (x) it acknowledges that due to anti-money laundering requirements, Winterflood and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Winterflood and the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Winterflood and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it;
- (y) it acknowledges and agrees that information provided by it to the Company or the Registrar will be stored both on the Registrar’s and the Administrator’s computer system and manually. It acknowledges and agrees that for the purposes of the DP Act and other relevant data protection legislation which may be applicable, the Registrar is required to specify the purposes for which it will hold personal data. The Registrar and the Administrator will only use such information for the purposes set out below (collectively, the “**Purposes**”), being to:
- (i) process its personal data (including sensitive personal data) as required by or in connection with its holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;
 - (ii) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
 - (iii) provide personal data to such third parties as the Registrar or the Administrator may consider necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares or as the DP Act may require, including to third parties outside the EEA;
 - (iv) without limitation, provide such personal data to the Company or the Portfolio Manager and each of their respective associates for processing, notwithstanding that any such party may be outside the EEA; and
 - (v) process its personal data for the Registrar’s or the Administrator’s internal administration.
- (z) in providing the Registrar and the Administrator with information, it hereby represents and warrants to the Registrar and the Administrator that it has obtained the consent of any data subject to the Registrar and the Administrator and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out in paragraph (x) above). For the purposes of this Prospectus, “**data subject**”, “**personal data**” and “**sensitive personal data**” shall have the meanings attributed to them in the DP Act;
- (aa) Winterflood and the Company are entitled to exercise any of their rights under the Placing and Offer Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- (bb) the representations, undertakings and warranties contained in this Prospectus are irrevocable. It acknowledges that Winterflood and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Ordinary Shares are no longer accurate, it shall promptly notify Winterflood and the Company;
- (cc) where it or any person acting on behalf of it is dealing with Winterflood, any money held in an account with Winterflood on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore

will not require Winterflood to segregate such money, as that money will be held by Winterflood under a banking relationship and not as trustee;

- (dd) any of its clients, whether or not identified to Winterflood, will remain its sole responsibility and will not become clients of Winterflood for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- (ee) it accepts that the allocation of Ordinary Shares shall be determined by Winterflood in its absolute discretion but in consultation with the Company and that Winterflood may scale down any commitments for this purpose on such basis as it may determine;
- (ff) it authorises Winterflood to deduct from the total amount subscribed under the Placing the aggregation commission (if any) (calculated at the rate agreed with the Company) payable on the number of Ordinary Shares allocated to it under the Placing; and
- (gg) time shall be of the essence as regards its obligations to settle payment for the Ordinary Shares and to comply with its other obligations under the Placing.

5. United States purchase and transfer restrictions

By participating in the Placing, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Portfolio Manager, the Registrar, and Winterflood that:

- (a) it is not a US Person and it is acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S and it is not acquiring the Ordinary Shares for the account or benefit of a US Person;
- (b) it acknowledges that the Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons absent registration or an exemption from registration under the Securities Act;
- (c) it acknowledges that the Company has not registered under the US Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the US Investment Company Act;
- (d) unless the Company expressly consents otherwise in writing, 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” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “plan” as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Tax Code. In addition, if a Placee is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, its purchase, holding, and disposition of the Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- (e) if any Ordinary Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect, unless otherwise determined by the Company in accordance with applicable law:
“WOODFORD PATIENT CAPITAL TRUST PLC (THE “COMPANY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED. IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.”;
- (f) if in the future the Placee decides to offer, sell, transfer, assign or otherwise dispose of its Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the

Securities Act and under circumstances which will not require the Company to register under the US Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;

- (g) it is purchasing the Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Ordinary Shares in any manner that would violate the Securities Act, the US Investment Company Act or any other applicable securities laws;
- (h) it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or interests therein at any time as to such person's status under US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under US securities laws to transfer such Ordinary Shares or interests in accordance with the Articles;
- (i) it acknowledges and understands that the Company is required to comply with FATCA and agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA;
- (j) 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, the Portfolio Manager, Winterflood or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Placing or its acceptance of participation in the Placing;
- (k) it has received, carefully read and understands this Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offering materials concerning the Ordinary Shares to within the United States or to any US Persons, nor will it do any of the foregoing; and
- (l) if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, the Placee has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

The Company, the Portfolio Manager, Winterflood and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

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

6. Supply and disclosure of information

If Winterflood, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for Ordinary Shares under the Placing, such Placee must promptly disclose it to them.

7. Miscellaneous

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

On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.

Each Placee agrees to be bound by the Articles once the Ordinary Shares, which the Placee has agreed to subscribe for pursuant to the Placing, have been acquired by the Placee. The contract to subscribe for Ordinary Shares under the Placing and the appointments and authorities mentioned in this Prospectus and

all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, the Portfolio Manager, Winterflood and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for Ordinary Shares under the Placing, references to a “Placee” in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

Winterflood and the Company expressly reserve the right to modify the Placing (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Placing is subject to the satisfaction of the conditions contained in the Placing and Offer Agreement and the Placing and Offer Agreement not having been terminated. Further details of the terms of the Placing and Offer Agreement are contained at paragraph 7.1 of Part 7 of this Prospectus.

PART 9

TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION

1. Introduction

Ordinary Shares are available under the Offer for Subscription at a price of 100 pence per Ordinary Share. The Ordinary Shares will, when issued and fully paid, include the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

Applications to acquire Ordinary Shares must be made on the Application Form attached as the Appendix to this Prospectus or otherwise published by the Company.

2. Effect of application

2.1 *Offer for Subscription to acquire shares*

By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:

- (a) offer to subscribe for such number of Ordinary Shares specified in Box 1 on your Application Form, or any smaller number for which such application is accepted, at the Issue Price on the terms, and subject to the conditions, set out in the Prospectus, including these Terms and Conditions of Application and the Articles;
- (b) agree that, in consideration for the Company agreeing that it will not offer any Ordinary Shares to any person other than by means of the procedures referred to in this Prospectus, your application may not be revoked, subject to your statutory right of withdrawal in the event of publication of a supplementary prospectus by the Company, 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, on receipt by the Receiving Agent of your Application Form;
- (c) undertake to pay the subscription amount specified in Box 1 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Ordinary Shares applied for in certificated form or be entitled to commence dealing in Ordinary Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent, the Company and Winterflood against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Ordinary Shares and may allot them to some other person(s), in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by a cheque drawn on a branch of a UK clearing bank to the bank account name from which they were first received at your risk of any proceeds of the remittance which accompanied your Application Form, without interest);
- (d) agree that, where on your Application Form a request is made for Ordinary Shares to be deposited into a CREST account: (i) the Receiving Agent may in its absolute discretion amend the form so that such Ordinary Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST account or in receiving your remittance in cleared funds); and (ii) the Receiving Agent, the Company or Winterflood may authorise your financial adviser or whoever he or she may direct to send a document of title for or credit your CREST account in respect of, the number of Ordinary Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Application Form;

- (e) agree, in respect of applications for Ordinary Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph (d) of this paragraph 2.1 to issue Ordinary Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled (and any monies returnable to you) may be retained by the Receiving Agent:
 - (i) pending clearance of your remittance;
 - (ii) pending investigation of any suspected breach of the warranties contained in paragraphs 2.5 (a), (b), (g), (j), (o), (q) or (r) below or any other suspected breach of these Terms and Conditions of Application; or
 - (iii) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of the Money Laundering Regulations, the Money Laundering Directive and any other regulations applicable thereto, and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- (f) agree, on the request of the Receiving Agent, to disclose promptly in writing to it such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which it may consider appropriate;
- (g) agree that if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Receiving Agent) following a request therefor, the Receiving Agent, Winterflood or the Company may terminate the agreement with you to allot Ordinary Shares and, in such case, the Ordinary Shares which would otherwise have been allotted to you may be re-allotted or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a UK clearing bank to the bank account name on which the payment accompanying the application was first drawn without interest and at your risk;
- (h) agree that you are not applying on behalf of a person engaged in money laundering;
- (i) undertake to ensure that, in the case of an Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- (j) undertake to pay interest at the rate described in paragraph 2.2 below if the remittance accompanying your Application Form is not honoured on first presentation;
- (k) authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Ordinary Shares for which your application is accepted or if you have completed section 5 on your Application Form, but subject to paragraph 2.1(d) above, to deliver the number of Ordinary Shares for which your application is accepted into CREST, and/or to return any monies returnable by a cheque drawn on a branch of a UK clearing bank to the bank account name from which such monies were first received without interest and at your risk;
- (l) agree that, in the event of any difficulties or delays in the admission of the Ordinary Shares to CREST in relation to the Offer for Subscription, the Company and/or Winterflood may agree that all of the Ordinary Shares for which your application is accepted be issued in certificated form;
- (m) confirm that you have read and complied with paragraph 2.7 below;
- (n) agree that all subscription cheques and payments will be processed through a bank account (the "Acceptance Account") in the name of Capita Registrars Limited re WPCT plc Offer for Subscription opened by the Receiving Agent;
- (o) agree that your Application Form is addressed to the Company and the Receiving Agent; and
- (p) agree that any application may be rejected in whole or in part at the sole discretion of the Company.

2.2 *Acceptance of your offer*

The Receiving Agent may, on behalf of the Company, accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) by notifying the UK Listing Authority through a Regulatory Information Service of the basis of allocation (in which case the acceptance will be on that basis).

The basis of allocation will be determined by Winterflood in consultation with the Company and the Receiving Agent. The right is reserved, notwithstanding the basis as so determined, to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these terms and conditions of application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these terms and conditions of application.

The Receiving Agent will present all cheques and bankers' drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payment. The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Receiving Agent to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Receiving Agent plus 4 per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.

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 building society that is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or that has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of an individual Applicant where they have sole or joint title to the funds, should be made payable to "Capita Registrars Limited re WPCT plc Offer for Subscription" and crossed "A/C payee only". Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping/endorsing the cheque or banker's draft to that effect. The account name should be the same as that shown on the Application Form.

The Company reserves the right in its absolute discretion (but shall not be obliged) to accept applications for less than 1,000 Ordinary Shares.

2.3 *Conditions*

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

- (a) Admission occurring by 8.00 a.m. on 21 April 2015 (or such later date, not being later than 31 May 2015, as the Company and Winterflood may agree);
- (b) the Placing and Offer Agreement becoming otherwise unconditional in all respects and not having been terminated in accordance with its terms prior to Admission; and
- (c) the Minimum Net Proceeds (or such lesser amount as the Company, the Portfolio Manager and Winterflood may agree) being raised.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

2.4 *Return of Application Monies*

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only (as a result of any scaling back of any part of an application), or if any contract created by acceptance does not become unconditional, the application monies or, as

the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto, without interest. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

2.5 *Warranties*

By completing an Application Form, you:

- (a) undertake and warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- (b) warrant, if the laws of any territory or jurisdiction outside the UK are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company, Winterflood or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the UK in connection with the Offer for Subscription in respect of your application;
- (c) (if you are within the Bailiwick of Guernsey) warrant, represent, acknowledge and agree that you are a person licensed under any of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended), the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended), or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended);
- (d) confirm that (save for advice received from your financial adviser (if any)) in making an application you are not relying on any information or representations in relation to the Company other than those contained in the Prospectus (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof shall have any liability for any such other information or representation;
- (e) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations contained therein;
- (f) acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, Winterflood or the Receiving Agent;
- (g) warrant that you are not under the age of 18 on the date of your application;
- (h) agree that all documents and monies sent by post to, by or on behalf of the Company, Winterflood or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first-named holder) as set out in your Application Form;
- (i) warrant that you are not applying as, or as nominee or agent of, a person who is or may be a person mentioned in any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipt and clearance services);
- (j) confirm that you have reviewed the restrictions contained in paragraph 2.7 below and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or complied with the provisions therein;

- (k) agree that, in respect of those Ordinary Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the Register;
- (l) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (m) irrevocably authorise the Company, Winterflood or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by or issued to you into your name and authorise any representatives of the Company and/or Winterflood and/or the Receiving Agent to execute any documents required therefor and to enter your name on the Register;
- (n) agree to provide the Company with any information which it, Winterflood or the Receiving Agent may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the Money Laundering Regulations;
- (o) warrant that, in connection with your application, you have observed the laws of all requisite 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, Winterflood or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your application;
- (p) agree that Winterflood and the Receiving Agent are acting for the Company in connection with the Offer for Subscription and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the Ordinary Shares or concerning the suitability of the Ordinary Shares for you or be responsible to you for the protections afforded to their customers;
- (q) warrant that the information contained in the Application Form is true and accurate; and
- (r) agree that if you request that Ordinary Shares are issued to you on a date other than Admission and such Ordinary Shares are not issued on such date that the Company and its agents and Directors will have no liability to you arising from the issue of such Ordinary Shares on a different date.

2.6 ***Money Laundering***

You agree that, in order to ensure compliance with the Money Laundering Regulations, the Receiving Agent may at its absolute discretion require verification of identity of you as the applicant lodging an Application Form and further may request from you and you will assist in providing identification of:

- (a) the owner(s) and/or controller(s) (the “payor”) of any bank account not in the name of the holder(s) on which is drawn a payment by way of banker’s draft or cheque; or
- (b) where it appears to the Receiving Agent that a holder or the payor is acting on behalf of some other person or persons, such person or persons.

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

Without prejudice to the generality of this paragraph 2.6, verification of the identity of holders and payors will be required if the value of the Ordinary Shares applied for, whether in one or more applications considered to be connected, exceeds €15,000 (approximately £12,000). If, in such circumstances, you use a building society cheque or banker’s draft you should ensure that the bank

or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque or banker's draft and adds its stamp. If, in such circumstances, the person whose account is being debited is not a holder you will be required to provide for both the holder and payor an original or copy of that person's passport or driving licence certified by a solicitor and an original or certified copy of two of the following documents, no more than three months old, a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressee's risk) together with a signed declaration as to the relationship between the payor and you, the applicant.

For the purpose of the Money Laundering Regulations, a person making an application for Ordinary Shares will not be considered as forming a business relationship with either the Company or with the Receiving Agent but will be considered as effecting a one-off transaction with either the Company or with the Receiving Agent.

The person(s) submitting an application for Ordinary Shares will ordinarily be considered to be acting as principal in the transaction unless the Receiving Agent determines otherwise, whereupon you may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).

If the amount being subscribed exceeds €15,000 (approximately £12,000) you should endeavour to have the declaration contained in section 7 of the Application Form signed by an appropriate firm as described in that section.

2.7 *Non United Kingdom investors*

If you receive a copy of the Prospectus or an Application Form in any territory other than the UK you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the UK and wish to make an application for Ordinary Shares under the Offer for Subscription, to satisfy yourself as to full observance of the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

None of the Ordinary Shares have been or will be registered under the laws of Canada, Japan, Australia or under the Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States, Canada, Japan or Australia. Accordingly, unless an exemption under such act or laws is applicable, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within Canada, Japan, Australia or the United States (as the case may be). If you subscribe for Ordinary Shares you will, unless the Company and the Registrar agree otherwise in writing, be deemed to represent and warrant to the Company that you are not a US Person or a resident of Canada, Japan, Australia or a corporation, partnership or other entity organised under the laws of the US or Canada (or any political subdivision of either) or Japan, or Australia and that you are not subscribing for such Ordinary Shares for the account of any US Person or resident of Canada, Japan, or Australia and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Ordinary Shares in or into the United States, Canada, Japan, or Australia or to any US Person or resident in Canada, Japan or Australia. No application will be accepted if it shows the applicant or a payor having an address in the United States, Canada, Japan, or Australia.

2.8 *The Data Protection Act*

Pursuant to the DP Act the Company and/or the Registrar, may hold personal data (as defined in the DP Act) relating to past and present shareholders.

Such personal data held is used by the Registrar to maintain the Register and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when: (a) effecting the payment of dividends and other distributions to Shareholders; and (b) filing returns of Shareholders and their respective transactions in Ordinary Shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

By becoming registered as a holder of Ordinary Shares a person becomes a data subject (as defined in the DP Act) and is deemed to have consented to the processing by the Company or its Registrar of any personal data relating to them in the manner described above.

2.9 *Miscellaneous*

To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Ordinary Shares and the Offer for Subscription.

The rights and remedies of the Company, Winterflood and the Receiving Agent under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.

The Company reserves the right to extend the closing time and/or date of the Offer for Subscription from 11.00 a.m. on 14 April 2015. In that event, the new closing time and/or date will be notified through a Regulatory Information Service.

The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned as indicated without interest.

You agree that Winterflood and the Receiving Agent are acting for the Company in connection with the Issue and no-one else and that none of Winterflood and the Receiving Agent will treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of the Ordinary Shares or concerning the suitability of the Ordinary Shares for you or otherwise in relation to the Issue or for providing the protections afforded to their customers.

Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as where used elsewhere in the Prospectus.

PART 10

DEFINITIONS

Act	the Companies Act 2006, as amended from time to time
Administration Agreement	the administration agreement dated 24 February 2015, between the Company and the Administrator, summarised in paragraph 7.4 of Part 7 of this Prospectus
Administrator	Northern Trust Global Services Limited
Admission	the admission of the Ordinary Shares: (i) to the premium segment of the Official List; and (ii) to trading on the London Stock Exchange's main market for listed securities, becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange
AIC	the Association of Investment Companies
AIC Code	the AIC Code of Corporate Governance published by the AIC from time to time
AIC Guide	the Guide to Investment Companies published by the AIC from time to time
AIFMD	the Directive on Alternative Investment Fund Managers, 2011/61/EU
Application Forms and each an Application Form	the application forms on which applicants may apply for Ordinary Shares under the Offer for Subscription attached as an Appendix to this Prospectus
Articles	the articles of association of the Company as at the date of this Prospectus
Auditors	Grant Thornton UK LLP or such other auditor as the Company may appoint from time to time
Benefit Plan Investor	a “benefit plan investor” as defined in Section 3(42) of ERISA and any regulations promulgated by the US Department of Labor thereunder, being “employee benefit plans” as defined in Section 3(3) of ERISA that are subject to Title I of ERISA, “plans” that are subject to the prohibited transaction provisions of Section 4975 of the US Tax Code, and entities the assets of which are treated as “plan assets” under Section 3(42) of ERISA and any regulations promulgated thereunder
Business Day	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business
certificated form	not in uncertificated form
Company	Woodford Patient Capital Trust plc
Company Secretarial Services Agreement	the company secretarial agreement dated 24 February 2015, between the Company and Capita Registrars Limited on behalf of the Company Secretary, summarised in paragraph 7.5 of Part 7 of this Prospectus
Company Secretary	Capita Company Secretarial Services Limited
CREST	the relevant system as defined in the CREST Regulations in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form

CREST Manual	the compendium of documents entitled CREST Manual issued by Euroclear from time to time comprising the CREST Reference Manual, the CREST Central Counterparty Services Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and CREST Glossary of Terms
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
Depository	Northern Trust Global Services Limited
Depository Agreement	the depository agreement dated 24 February 2015, between the Company, the Manager and the Depository, summarised in paragraph 7.8 of Part 7 of this Prospectus
Directors or Board	the board of directors of the Company
Disclosure and Transparency Rules	the disclosure and transparency rules made by the FCA under Part VI of FSMA
DP Act	The Data Protection Act 1998, as amended
Duff & Phelps	Duff & Phelps Ltd.
Early-Stage Companies	has the meaning given in Part 2 of this Prospectus
Early-Growth Companies	has the meaning given in Part 2 of this Prospectus
EEA	the European Economic Area
ERISA	the United States Employee Retirement Income Security Act of 1974, as amended
EU	the European Union
Euroclear	Euroclear UK & Ireland Limited
FATCA	the US Foreign Account Tax Compliance Act
FCA	the Financial Conduct Authority
FSMA	the UK Financial Services and Markets Act 2000, as amended
Gross Assets	the gross assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time
Gross Proceeds	the gross proceeds of the Issue
HMRC	HM Revenue & Customs
IRR	internal rate of return
ISA	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998 (as amended from time to time)
Issue	the Placing and the Offer for Subscription
Issue Price	100p per Ordinary Share
Latest Practicable Date	23 February 2015, being the latest practicable date prior to the date of this Prospectus for ascertaining certain information contained herein
Listing Rules	the listing rules made by the UK Listing Authority under section 73A of FSMA
Lock-In Agreement	the lock-in agreement dated 24 February 2015, between the Portfolio Manager, the Company and Winterflood, summarised in paragraph 7.9 of Part 7 of this Prospectus
London Stock Exchange	London Stock Exchange plc

Management Agreement	the management agreement dated 24 February 2015, between the Manager and the Company summarised in paragraph 7.3 of Part 7 of this Prospectus
Manager	Capita Financial Managers Limited
Member State	any member state of the European Economic Area
Minimum Net Proceeds	the minimum net proceeds of the Issue, being £100 million
Money Laundering Regulations	the Money Laundering Regulations 2007, as amended
NAV or Net Asset Value	the value of the assets of the Company less its liabilities, determined in accordance with the accounting principles adopted by the Company from time to time
NAV per Ordinary Share or Net Asset Value per Ordinary Share	the Net Asset Value divided by the number of Ordinary Shares in issue
Offer for Subscription	the offer for subscription of Ordinary Shares at the Issue Price, as described in this Prospectus
Official List	the official list maintained by the UK Listing Authority
Ordinary Shares	ordinary shares of nominal value 1 pence each in the capital of the Company
Overseas Persons	persons who are resident in, or who are citizens of, or who have registered addresses in, territories other than the UK
Performance Fee Shares	has the meaning given in paragraph 5 of Part 4 of this Prospectus
Placee	a person subscribing for Ordinary Shares under the Placing
Placing	the conditional placing of Ordinary Shares by Winterflood at the Issue Price pursuant to the Placing and Offer Agreement
Placing and Offer Agreement	the conditional agreement between the Company, the Portfolio Manager, the Directors and Winterflood, summarised in paragraph 7.1 of Part 7 of this Prospectus
Portfolio Management Services Agreement	the portfolio management services agreement dated 24 February 2015, between the Company, the Manager and the Portfolio Manager summarised in paragraph 7.2 of Part 7 of this Prospectus
Portfolio Manager or Woodford	Woodford Investment Management LLP
Pricing Committee	the committee established for the purpose of reviewing valuations in accordance with the Unquoted Securities Valuations Policy, further details of which are set out in paragraph 8 of Part 2 of this Prospectus
Prospectus	this document
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of the European Union and any relevant implementing measure in each Relevant Member States
Prospectus Rules	the rules and regulations made by the FCA under Part VI of FSMA
Receiving Agent	Capita Registrars Limited, trading as Capita Asset Services
Receiving Agent Agreement	the receiving agent services agreement between the Company and the Receiving Agent summarised in paragraph 7.6 of Part 7 of this Prospectus
Register	the register of members of the Company
Registrar	Capita Registrars Limited, trading as Capita Asset Services

Registrar Agreement	the agreement for the provision of share registration services between the Company and the Registrar summarised in paragraph 7.7 of Part 7 of this Prospectus
Regulatory Information Service	a service authorised by the UK Listing Authority to release regulatory announcements to the London Stock Exchange
Relevant Member State	each Member State which has implemented the Prospectus Directive or where the Prospectus Directive is applied by the regulator
Securities Act	the United States Securities Act of 1933, as amended
Shareholder	a holder of Ordinary Shares
SIPP	a self-invested personal pension as defined in Regulation 3 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 of the UK
SSAS	a small self-administered scheme as defined in Regulation 2 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991 of the UK
Takeover Code	The City Code on Takeovers and Mergers
UK	the United Kingdom of Great Britain and Northern Ireland
UK Corporate Governance Code	the UK Corporate Governance Code as published by the Financial Reporting Council from time-to-time
UK GAAP	the generally accepted accounting principles currently adopted in the UK
UK Listing Authority or UKLA	the FCA acting in its capacity as the competent authority for the purposes of admissions to the Official List
uncertificated or in uncertificated form	an Ordinary Share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
United States or US	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
Unquoted Securities Valuation Policy	the policy of the Company for the valuation of unquoted securities, further details of which are set out in paragraph 8 of Part 2 of this Prospectus
US Tax Code	the US Internal Revenue Code of 1986, as amended
US Investment Company Act	the United States Investment Company Act of 1940, as amended
US Person	a US Person as defined for the purposes of Regulation S
Winterflood	Winterflood Securities Limited

APPENDIX

APPLICATION FORM

Woodford Patient Capital Trust plc

Before completing this Application Form you should read the Prospectus, including the terms and conditions set out in Part 9 of the Prospectus (Terms and Conditions of Application under the Offer for Subscription).

Please make your cheque or banker's draft payable to "Capita Registrars Limited re WPCT plc Offer for Subscription" (crossed A/C payee only) and return it together with this form by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom so as to arrive by no later than 11.00 a.m. on 14 April 2015.

PLEASE COMPLETE IN BLOCK CAPITALS ONLY and in BLACK INK

Box 1 – Application and Amount Payable (Applications must be for a minimum of 1,000 Ordinary Shares).

Number of Ordinary Shares		at 100 pence per Ordinary Share. I have attached a cheque/banker's draft for:	£
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Box 2 –Applicant Details (Individuals)

Title			Surname												
First Names															
Home Address															
Postcode				Daytime Telephone Number											

Box 3 – Joint Applicants (You may apply with up to 3 joint applicants)

Title			Surname												
First Names															

Title			Surname												
First Names															

Title			Surname												
First Names															

Box 4 – Corporate Registration Details

Company Name															
Company Address															
Contact Name															
Postcode				Daytime Telephone Number											

Box 5 – CREST

If you would like your Ordinary Shares to be credited to your CREST account please provide details below.

The CREST account must be in same name(s) as the Applicant Details provided in Boxes 2, 3 or 4 above.

Participant ID											Member Account									
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Box 6 – Signature

By completing Box 6 below you are deemed to have read the Prospectus and agreed to the terms and conditions in Part 9 of the Prospectus (Terms and Conditions of Application under the Offer for Subscription) and to have given the warranties and undertakings set out therein.

Execution by Individuals:

First Applicant Signature		Date	
Second Applicant Signature		Date	
Third Applicant Signature		Date	
Fourth Applicant Signature		Date	

Execution by a Company:

Executed by (Name of Company):		Date	
Name of Director:		Signature:	
Name of Director/Secretary:		Signature:	
		Date	

BOX 7 MUST BE COMPLETED BY AUTHORISED FINANCIAL INTERMEDIARIES ONLY

Box 7 – Authorised Financial Intermediaries Details

By completing and stamping Box 7 below you are deemed to have read the Prospectus and agreed to the terms and conditions in Part 9 of the Prospectus (Terms and Conditions of Application under the Offer for Subscription) and to have given the warranty and undertaking set out therein and in the Note headed “Authorised Financial Intermediaries Details” of the accompanying Notes on How to Complete the Application Form.

AUTHORISED FINANCIAL INTERMEDIARIES STAMP	Name of Firm	
	FCA Number	
	Signature	
	Name	
	Position	
	Date	
	Telephone No	
Email Address		

PLEASE AFFIX YOUR CHEQUE OR BANKER'S DRAFT HERE

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

It is essential that you complete all parts of the Application Form in accordance with the following instructions. Authorised Financial Intermediaries MUST read the below section entitled “Notes for Authorised Financial Intermediaries Only”.

Application and Amount Payable

Insert in Box 1 the number of Ordinary Shares you wish to apply for in Woodford Patient Capital Trust plc. You must also insert your total payment. Your cheque or banker’s draft should be for an amount that represents 100 pence multiplied by the number of Ordinary Shares for which you are applying.

Your application must be for a minimum of 1,000 Ordinary Shares.

Payment

Payments must be made by cheque or banker’s draft in sterling drawn on a branch in the United Kingdom of a bank or building society. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to “Capita Registrars Limited re WPCT plc Offer for Subscription”. 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 building society cheque/banker’s draft to such effect.

The account name should be the same as that shown on the Application Form.

Money Laundering Regulations

Under the Money Laundering Regulations 2007, Capita Asset Services (Capita) may be required to check the identity of persons who subscribe for in excess of the sterling equivalent of €15,000 (approximately £12,000) of Ordinary Shares.

Capita may therefore undertake electronic searches for the purposes of verifying identity. To do so Capita may verify the details against the applicant’s identity, but also may request further proof of identity. Capita reserves the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.

Applicant Details

Insert your title, full name, address and daytime telephone number in BLOCK CAPITALS and black ink in Box 2.

Applications can only be made by persons over the age of 18.

Joint Applicants

You may apply with up to three joint applicants. Joint applicants should insert their title and full name in Box 3.

Corporate Details

A corporate body wishing to apply for Ordinary Shares should insert the company name, address and daytime telephone number in BLOCK CAPITALS and black ink in Box 4.

CREST

If you would like to receive your Ordinary Shares in uncertificated form please insert your Participant ID and Member Account number in Box 5. The CREST account must be in same name(s) as the Applicant(s) Details provided in Box(es) 2, 3 or 4 above. If you are not a CREST Participant or CREST Sponsored Member you should leave Box 5 blank and you will automatically receive a share certificate for your Ordinary Shares.

Signature

By signing the Application Form you are deemed to have read the Prospectus and agreed to the terms and conditions in Part 9 of the Prospectus (Terms and Conditions of Application under the Offer for Subscription) and to have given the warranties and undertakings set out therein.

Execution by Individuals:

Please sign and date Box 6. All applicants must sign.

The Application Form may only be signed by someone other than the Applicant(s) named in Box(es) 2, 3 or 4 if duly authorised to do so. In such cases the original Power of Attorney (or other relevant legal document) or duly certified copy thereof must be enclosed for inspection.

Execution by a Company:

A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

PLEASE AFFIX YOUR CHEQUE OR BANKER'S DRAFT TO THE BOTTOM LEFT CORNER OF THE APPLICATION FORM

NOTES FOR AUTHORISED FINANCIAL INTERMEDIARIES ONLY

Authorised Financial Intermediaries Details

Authorised financial intermediaries must complete and stamp (giving their full name and address) Box 7 in BLOCK CAPITALS, giving a contact name, telephone number, email address and details of their authorisation under the Financial Services and Markets Act 2000.

Money Laundering Regulations

If you complete and stamp Box 7 of the Application Form you are warranting that the applicant is known to you and that you have completed all the verification procedures as required by the relevant rules and guidance of the FCA, the Joint Money Laundering Steering Group Guidance Notes and other anti-money laundering laws and regulations as may be considered appropriate.

You also confirm that this information can be relied upon by the Company and the Receiving Agent and will, subject to reasonable notice, be made available to the Company or the Receiving Agent for inspection upon request.

In the event of delay or failure to produce such information, the Company may refuse to accept an application for the Offer for Subscription.

If you have any queries regarding the procedure for application and payment please call the **Capita Asset Services Helpline on 0871 664 0321 (within the UK) or +44 208 639 3399 (outside the UK)**

Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Calls to the helpline from outside the UK will be charged at the applicable international rate. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer for Subscription nor give any financial, legal or tax advice.

Return this form by post or by hand (during normal business hours only) to
**Capita Asset Services, Corporate Actions, The Registry,
34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom**

to arrive by no later than 11.00 a.m. on 14 April 2015

Portfolio Manager
Woodford Investment Management LLP,
authorised and regulated by the Financial Conduct Authority.

Registered office is 9400 Garsington Road,
Oxford OX4 2HN.

0870 870 8482
info@woodfordfunds.com
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www.woodfordfunds.com