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This document has been prepared in connection with the publication of a prospectus dated 9 June 2023 (the “**Prospectus**”) for the purposes of the UK Prospectus Regulation relating to The Investment Company plc (the “**Company**”) prepared in accordance with the prospectus regulation rules of the FCA and approved by the FCA, as competent authority under the UK Prospectus Regulation. It constitutes “a separate copy of the summary” for the purposes of Article 21(3) of the UK Prospectus Regulation.

The page numbers in this document correspond to the page numbers in the Prospectus. The Prospectus is available for download at <https://theinvestmentcompanyplc.co.uk>. Any capitalised words used, but not defined, in this document shall have the meaning given in the Prospectus.

**Prospective investors should read the entire Prospectus and, in particular, the section headed “Risk Factors” beginning on page 10 when considering an investment in the Company.**

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## The Investment Company plc

*(Incorporated in England and Wales with company number 00004205 and registered as an investment company under section 833 of the Companies Act 2006)*

### Placing, Offer for Subscription and Intermediaries Offer

*Proposed Manager*

### Chelverton Asset Management Limited

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Each of Singer Capital Markets Advisory LLP (the “**Sponsor**”) and Singer Capital Markets Securities Limited (“**SCM Securities**”) is authorised and regulated in the United Kingdom by the FCA. References in this document to “**Singer Capital Markets**” are references to either the Sponsor or SCM Securities or both of them, as appropriate. Singer Capital Markets is acting exclusively for the Company and for no-one else in connection with the Issue, Admission and the other arrangements referred to in this document and the Prospectus and will not regard any other person (whether or not a recipient of this document and/or the Prospectus) as its client in relation to the Issue, Admission or the other arrangements referred to in this document and/or the Prospectus and will not (subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder) be responsible to anyone other than the Company for providing the protections afforded to the respective clients of Singer Capital Markets, nor for providing advice in connection with the Issue, Admission or the other arrangements referred to in this document and/or the Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Singer Capital Markets by FSMA, or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Singer Capital Markets accepts no responsibility whatsoever and makes no representation or warranty, express or implied, as to the contents of this document or the Prospectus, including its accuracy or completeness, or for any other statement made or purported to be made by it, or on its behalf, by the Company or any other person in connection with the Company, the Ordinary Shares, the Issue, Admission and nothing contained in this document or the Prospectus is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Singer Capital Markets assumes no responsibility for the accuracy, completeness or verification of this document or the Prospectus and accordingly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise be found to have in respect of this document or the Prospectus or any such statement.

The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “**US 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 US Securities Act (“**Regulation S**”)), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. The Ordinary Shares are being offered or sold outside the United States to persons who are not US Persons in reliance on Regulation S. In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, (as amended) (the “**US Investment Company Act**”), and recipients of this document or the Prospectus will not be entitled to the benefits of that Act. Neither this document nor the Prospectus may be distributed into the United States or to US Persons. Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved of these securities or determined if this document or the Prospectus is truthful or complete. Any representation to the contrary is a US criminal offence.

Neither this document nor Prospectus constitutes 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 Singer Capital Markets. The offer and sale of Ordinary Shares has not been and will not be registered under the applicable securities laws of Canada, Japan, Australia or the Republic of South Africa. Subject to certain exemptions, the Ordinary Shares may not be offered to or sold within Canada, Japan, Australia or the Republic of South Africa or to any national, resident or citizen of Canada, Japan, Australia or the Republic of South Africa. Neither the Company nor the Proposed Manager, nor any of their respective representatives, is making any representation to any offeree or purchaser of the Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Ordinary Shares.

Dated: 9 June 2023

## SUMMARY

### 1. INTRODUCTION AND WARNINGS

#### a. Name and ISIN of securities

Ordinary Shares of £0.50 each  
TIDM: INV  
ISIN: GB0004658257

#### b. Identity and contact details of the issuer

Name: The Investment Company plc (the “Company”) (incorporated in England and Wales with registered number 00004205)

Registered Office: Suite 8, Bridge House, Courtenay Street, Newton Abbot, Devon TQ12 2QS

Tel: +44 20 3934 6630

Legal Entity Identifier (LEI): 2138004PBWN5WM2XST62

#### c. Identity and contact details of the authority approving this prospectus

Name: Financial Conduct Authority

Address: 12 Endeavour Square, London E20 1JN, United Kingdom

Tel: +44 (0) 20 7066 1000

#### d. Date of approval of this prospectus

9 June 2023

#### e. Warnings

This summary should be read as an introduction to this Prospectus. Any decision to invest in the Ordinary Shares should be based on a consideration of the Prospectus as a whole by the prospective investor. The investor could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Ordinary Shares.

### 2. KEY INFORMATION ON THE ISSUER

#### a. Who is the issuer of the securities?

##### i. *Domicile and legal form, LEI, applicable legislation and country of incorporation*

The Company is a public limited company, registered and incorporated in England and Wales under the Companies Act 2006 (the “Companies Act”) on 14 November 1868 with registered number 00004205. The Company’s LEI is 2138004PBWN5WM2XST62. The Company is registered as an investment company under section 833 of the Companies Act and conducts its affairs so as to satisfy the conditions for approval as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

##### ii. *Principal activities*

The principal activity of the Company is to invest in accordance with the Company’s published investment policy with a view to achieving its investment objective.

##### iii. *Investment objective*

The Company’s current investment objective is to protect the purchasing power of its capital in real terms, and to participate in enduring economic activities which lend themselves to genuine capital accumulation and wealth creation.

Conditional on completion of the Tender Offer, the investment objective of the Company will be to maximise capital growth for Shareholders over the long term by investing in high quality quoted UK Small and Mid-Cap Companies.

##### iv. *Major Shareholders*

So far as is known to the Company, and which is notifiable under the Disclosure Guidance and Transparency Rules, as at the date of this document, the following persons held, directly or indirectly, three per cent. or more of the issued Ordinary Shares or the Company’s voting rights:

| Shareholder                               | Number of Ordinary Shares | Percentage of voting rights |
|---|---------------------------|-----------------------------|
| Edelweiss Holdings Plc                    | 1,246,909                 | 26.13%                      |
| Philip J. Milton & Company Plc            | 432,086                   | 9.05%                       |
| Mr C.P. Kirkley                           | 291,443                   | 6.11%                       |
| Mr C.A. Kirkley                           | 291,443                   | 6.11%                       |
| Aboyne-Clyde Rubber Estates of Ceylon Ltd | 203,800                   | 4.27%                       |

As at the date of this document, the Company is not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company. All Shareholders have the same voting rights in respect of shares of the same class in the share capital of the Company.

v. **Directors**

Ian Dighé (Chair), Timothy Metcalfe, Martin Perrin and Michael Weeks.

Conditional on, and with effect from, Completion of the Tender Offer, it is proposed that Michael Weeks will resign from the Board and David Horner will be appointed as a non-independent non-executive Director.

vi. **Statutory auditor**

PKF Littlejohn LLP, 15 Westferry Circus, Canary Wharf, London E14 4HD.

b. **What is the key financial information regarding the issuer?**

**Table 1: Additional information relevant to closed end funds**

| Share Class | Total NAV*  | No. of Ordinary Shares* | NAV per Ordinary Share*                                  | Historical performance of the Company*   |
|-------------|-------------|-------------------------|--|--|
| Ordinary    | £17,039,027 | 4,772,049               | 357.06p (including current financial year revenue items) | Over the period covered by the historical financial information, the Company has delivered Net Asset Value and share price total returns of 6.77 per cent. and 6.11 per cent., respectively, and the Ordinary Shares have traded at an average discount to NAV per Ordinary Share of 13.49 per cent. |

\* As at 31 May 2023, being the date of the latest published Net Asset Value.

**Table 2: Income statement for closed end funds**

| Consolidated Statement of Comprehensive Income   | Financial year ended 30 June 2022 (audited) |                  | Financial period ended 31 December 2022 (unaudited) |                |
|--|---|------------------|---|----------------|
|  | Revenue (£)                                 | Capital (£)      | Revenue (£)   | Capital (£)    |
| (Losses)/gains on investment at fair value through profit and loss                         | –   | (227,992)        | –   | 971,706        |
| Exchange gains/(losses) on capital items   | –   | 2,583            | –   | 22,642         |
| Investment income  | 371,956                                     | –                | 104,010   | –              |
| Investment management fee  | –   | –                | –   | –              |
| Other expenses   | (355,618)                                   | –                | (201,786)   | –              |
| <b>Return/(loss) before taxation</b>   | <b>16,338</b>                               | <b>(225,409)</b> | <b>(97,776)</b>                                     | <b>994,348</b> |
| Taxation   | (39,554)                                    | –                | (12,185)  | –              |
| <b>Total (loss)/income after taxation</b>  | <b>(23,216)</b>                             | <b>(225,409)</b> | <b>(109,961)</b>                                    | <b>994,348</b> |
| <b>(Loss)/return on total income after taxation per Ordinary Share – basic and diluted</b> | <b>(0.49)p</b>                              | <b>(4.72)p</b>   | <b>(2.30)p</b>                                      | <b>20.83p</b>  |

**Table 3: Balance sheet for closed end funds**

|   | As at 30 June 2022<br>(audited)<br>(£) | As at 31 December 2022<br>(unaudited)<br>(£) |
|---|--|--|
| <b>Consolidated Statement of Financial Position</b>   |  |  |
| <b>Non-current assets:</b>                            |  |  |
| Investments held at fair value through profit or loss | 15,445,243                             | 15,528,839                                   |
| <b>Current assets:</b>                                |  |  |
| Trade and other receivables                           | 30,358                                 | 93,101                                       |
| Cash and cash equivalents                             | 678,592                                | 1,393,505                                    |
| <b>Current liabilities:</b>                           |  |  |
| Trade and other payables                              | (106,002)                              | (82,867)                                     |
| <b>Net assets</b>                                     | <b>16,048,191</b>                      | <b>16,932,578</b>                            |
| Net asset value per Ordinary Share                    | 336.30p                                | 354.83p                                      |

c. **What are the key risks that are specific to the issuer?**

- If the Proposals are approved by Shareholders:
  - the success of the Company will be dependent on the Proposed Manager and its expertise, key personnel and ability to source and advise appropriately on prospective investments of the Company;
  - the departure of some or all of the Proposed Manager's investment and other professionals could prevent the Company from achieving its investment objective;
  - the past performance of the Proposed Manager cannot be relied upon as an indication of the future performance of the Company; and
  - investments in the securities of UK Small and Mid-Cap Companies are more risky and may be subject to higher fluctuations than investments in companies with larger market capitalisations.
- The Company will be dependent on the performance of UK equity capital markets. If conditions affecting the UK equity capital market negatively impact the price of the Company's holdings, this may have a material adverse effect on the Company's business and results of operations.
- Changes in economic conditions could substantially and adversely affect the Company's prospects.
- There can be no guarantee that the Company will achieve its investment objective and Shareholders may not receive back the full amount of their original investment in the Ordinary Shares.
- Investor returns will be dependent upon the performance of the portfolio which may lead to volatility in the trading price of the Ordinary Shares.
- The Company has no employees and is reliant on the performance of third party service providers. Failure by third-party service providers to perform in accordance with the terms of their appointment could have a material detrimental impact on the operation of the Company.
- Any change in the law and regulation affecting the Company and its operations may have a material adverse effect on the ability of the Company to carry on its business and on the value of the Company and/or the Ordinary Shares.
- Any change in the Company's tax status (including any failure to maintain HMRC approval as an investment trust) or in taxation legislation or practice generally could adversely affect the value of the investments held by the Company, or its ability to provide returns to Shareholders, or alter the post-tax returns to Shareholders.

3. **KEY INFORMATION ON THE SECURITIES**

a. **What are the main features of the securities?**

i. **Type, class and ISIN of the securities being admitted to trading on a regulated market**

The securities that may be issued or sold under the Issue are Ordinary Shares of £0.50 each in the capital of the Company.

The ISIN of the Ordinary Shares is GB0004658257.

ii. **Currency, denomination, par value, number of securities issued and term of the securities**

The Ordinary Shares are denominated in pounds sterling and have nominal value £0.50 each. The Ordinary Shares have no fixed term.

Conditional on the passing of Resolution 3 at the General Meeting, up to 6 million new Ordinary shares may be issued pursuant to the Issue, comprising the Placing, Offer for Subscription and Intermediaries Offer.

iii. ***Rights attached to the securities***

Holders of Ordinary Shares shall be entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares.

On a winding-up or a return of capital by the Company, holders of Ordinary Shares shall be entitled to all of the Company's remaining net assets after making provision for the payment of the nominal amount paid up or credited as paid up on the Preference Shares.

Holders of Ordinary Shares will be entitled to receive notice, of, attend, speak and vote at all general meetings of the Company and, on a poll, to one vote for each Ordinary Share held.

The consent of the holders of Ordinary Shares will be required for the variation of any rights attached to the Ordinary Shares.

iv. ***Relative seniority of the securities in the event of insolvency***

On a winding-up or a return of capital by the Company, the holders of Ordinary Shares shall be entitled to all of the Company's remaining net assets after making provision for the payment of the nominal amount paid up or credited as paid up on the Preference Shares.

The Preference Shares, owned in their entirety by New Centurion Trust Limited, a wholly-owned subsidiary of the Company, are entitled to receive a cumulative dividend of 0.01p per share per annum, and are entitled to revive their nominal value, £0.50, on a distribution of assets or a winding-up.

v. ***Restrictions on the free transferability of the Ordinary Shares***

The Directors may in their absolute discretion and without giving any reason, refuse to register any transfer of shares which are not fully paid provided that, where any such shares are admitted to the Official List of the Financial Conduct Authority or to trading on any recognised investment exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

The Directors may also refuse to register any instrument of transfer of a certificated share unless the instrument of transfer, duly stamped, is left at the office or at such other place as the Directors may decide, for registration, accompanied by the certificate for the shares to be transferred and such other evidence as the Directors may reasonably require to prove the right of the title of the intended transferor or his right to transfer the shares.

The Directors may refuse to register any transfer unless it is in respect of only one class of shares and without giving any reason for its decision, refuse to register any transfer of an uncertificated share where permitted by the Companies Act.

vi. ***Dividend policy***

The Company intends to comply at all times with the requirements for maintaining investment trust status for the purposes of section 1158 of the UK Corporation Tax Act 2010. 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 (as calculated for tax purposes) in respect of any accounting period. The Company therefore intends to distribute income such that it complies with this condition in respect of each accounting period. Conditional on Completion of the Tender Offer, the Company will target results primarily through capital appreciation and no specific dividend policy has been or is expected to be established other than is set out above. The payment of any dividends to Shareholders will be dependent on the level of the Company's net income and the requirements of the Companies Act and such dividends will be declared entirely at the discretion of the Board.

b. **Where will the securities be traded?**

Applications will be made to the Financial Conduct Authority for all of the Ordinary Shares to be issued pursuant to the Issue to be admitted to the Official List (premium listing) and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the premium segment of the London Stock Exchange's main market.

c. **What are the key risks that are specific to the securities?**

- The value of the Ordinary Shares can fluctuate and may go down as well as up and an investor may not get back the full amount invested. The market price of the Ordinary Shares, like shares in all investment trusts, 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 a liquid market in the Ordinary Shares will exist. Accordingly, Shareholders may be unable to realise their Ordinary Shares at the quoted market price or at all.
- The Company may issue new Ordinary Shares in the future which may be dilutive to existing Shareholders' voting rights

#### 4. KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET

##### a. Under which conditions and timetable can I invest in this security?

##### i. *General terms and conditions*

###### *The Issue*

Ordinary Shares are being made available under the Issue at the Issue Price. The Issue comprises the Placing, the Offer for Subscription and the Intermediaries Offer.

The Issue is being undertaken in conjunction with the Tender Offer. Pursuant to the Tender Offer, where there are investors willing to acquire Ordinary Shares, all or some of the Ordinary Shares which are the subject of acceptances by Tendering Shareholders will not be repurchased by the Company but instead shall be sold to Incoming Shareholders pursuant to the Matched Bargain Facility. To the extent that the Company receives commitments from investors to acquire Ordinary Shares under the Placing in excess of the number of Ordinary Shares available to purchase from Tendering Shareholders, such excess demand shall be satisfied by the issue of new Ordinary Shares. Investors may also subscribe for new Ordinary Shares pursuant to the Offer for Subscription and/or the Intermediaries Offer.

The Issue Price is equal to the NAV per Ordinary Share (before deducting any accrued or paid Transaction Costs) on the Calculation Date. The Transaction Costs will be shared amongst the pools of capital value represented by Tendering Shareholders, Remaining Shareholders and Incoming Shareholders, each as a proportion of the NAV on the Calculation Date. The Transaction Costs are estimated to be between £525,000 and £625,000. As a result, the Issue Price will be at a premium to the Tender Price (and the Post-Transaction NAV per Ordinary Share), reflecting the proportion of the Transaction Costs which will be borne by Incoming Shareholders.

Singer Capital Markets has agreed to act as settlement agent in respect of the Placing for Ordinary Shares on the terms and subject to the conditions set out in the Placing and Sponsor Agreement. The Placing will close at 11.00 a.m. on 14 July 2023 (or such later date, not being later than 31 August 2023, as the Company, the Proposed Manager and the Sponsor may agree). If the Placing is extended, the revised timetable will be notified through a Regulatory Information Service.

Applications under the Offer for Subscription must be for a minimum of £1,000 and then in multiples of £100 thereafter, although the Board may accept applications below the minimum amounts stated above in their absolute discretion. Completed Applications and payments under the Offer for Subscription must be received by 11.00 a.m. on 14 July 2023.

Investors may subscribe for Ordinary Shares at the Issue Price pursuant to the Intermediaries Offer. Only the Intermediaries' retail investor clients in the United Kingdom are eligible to participate in the Intermediaries Offer. Investors may apply to any one of the Intermediaries to be accepted as their client. A minimum application of £1,000 per Underlying Applicant will apply.

The Issue is conditional on, *inter alia*: (i) the Tender Offer becoming unconditional in all respects (including the passing of Resolution 3 at the General Meeting and the Continuation Conditions being satisfied) on or before 8.00 a.m. on 26 July 2023 (or such later date, not being later than 31 August 2023, as the Company and Singer Capital Markets may agree); (ii) the Placing and Sponsor Agreement becoming unconditional in respect of the Issue (save as to Admission) and not having been terminated in accordance with its terms prior to Admission; and (iii) Admission occurring by 8.00 a.m. on 26 July 2023 (or such later date, not being later than 31 August 2023, as the Company, SCM Securities and the Sponsor may agree).



ii. ***Expected Timetable of Principal Events***

| <b>Issue</b>   | <b>2023</b>                  |
|--|------------------------------|
| Publication of this document and the Issue opens   | 9 June                       |
| Latest time and date for receipt of Forms of Proxy for the General Meeting   | 11.00 a.m. on 22 June        |
| <b>General Meeting</b>   | <b>11.00 a.m. on 26 June</b> |
| Latest time and date for receipt of Tender Forms and TTE Instructions in CREST for the Tender Offer  | 11.00 a.m. on 14 July        |
| Latest time and date for receipt of completed applications in respect of the Offer for Subscription  | 11.00 a.m. on 14 July        |
| Latest time and date for receipt of completed applications from the Intermediaries in respect of the Intermediaries Offer  | 1.00 p.m. on 14 July         |
| Latest time and date for commitments under the Placing   | 5.00 p.m. on 14 July         |
| <b>Tender Offer Record Date to participate in the Tender Offer</b>   | <b>6.00 p.m. on 14 July</b>  |
| Announcement of the results of the Tender Offer and the Issue (subject to the passing of the Resolutions at the General Meeting)   | 17 July                      |
| <b>Calculation Date</b>  | <b>6.00 p.m. on 18 July</b>  |
| Announcement of the Tender Price and Issue Price and confirmation of the cancellation of the share premium account and capital redemption reserve, if approved, by the Court | 19 July                      |
| Repurchase of Ordinary Shares pursuant to the Tender Offer and issue of Ordinary Shares pursuant to the Issue  | 26 July                      |
| <b>Admission and dealings in new Ordinary Shares commence</b>  | <b>8.00 a.m. on 26 July</b>  |
| CREST accounts credited with uncertificated Ordinary Shares in respect of the Issue  | 26 July                      |
| Where applicable, definitive Ordinary Share certificates in respect of the Ordinary Shares issued pursuant to the Issue despatched by post in the week commencing*           | 31 July                      |

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

*The dates and times specified in the timetable above are subject to the passing of the Resolutions at the General Meeting and the satisfaction of the Continuation Conditions and are subject to change without further notice. All references to times in this Prospectus are to London time unless otherwise stated. Any changes to the expected Issue timetable will be notified by the Company through a Regulatory Information Service.*

iii. ***Details of admission to trading on a regulated market***

Applications will be made to the FCA for all of the Ordinary Shares to be issued pursuant to the Issue to be admitted to the Official List (premium listing) and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the premium segment of the London Stock Exchange's main market.

iv. ***Plan for distribution***

Conditional upon Resolution 3 being passed at the General Meeting, up to 6 million new Ordinary Shares are available to be issued pursuant to the Issue, comprising a Placing, Offer for Subscription and Intermediaries Offer.

v. ***Amount and percentage of immediate dilution resulting from the issue***

The Issue is not being made on a pre-emptive basis and existing Shareholders may participate in the Issue on the same terms as any other third party investor. Shareholders who do not participate in the Issue for an amount at least *pro rata* to their existing holding will have their percentage holding diluted following Admission. If 6 million Ordinary Shares are issued pursuant to the Issue, and assuming no Ordinary Shares are tendered, there would be a dilution of approximately 55.7 per cent. in Shareholders' ownership and voting interests in the Company.

vi. ***Estimate of the total expenses of the issue***

The estimated costs and expenses of the Proposals (including the Issue and the Tender Offer) are estimated to be between £525,000 and £625,000.

vii. ***Estimated expenses charged to the investor***

Investors participating in the Issue will be able to acquire Ordinary Shares at the Issue Price, which is equal to the NAV per Ordinary Share (before deducting any accrued or paid Transaction Costs) on the Calculation Date. The Transaction Costs will be shared amongst the pools of capital value represented by Tendering Shareholders, Remaining Shareholders and Incoming Shareholders, each as a proportion of the NAV on the Calculation Date. The Transaction Costs are estimated to be between £525,000 and £625,000. As a result, the Issue Price will be at a premium to the Tender Price (and the Post-Transaction NAV per Ordinary Share), reflecting the proportion of the Transaction Costs which will be borne by Incoming Shareholders.

All expenses incurred by any Intermediary are for its own account. Investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application made through that Intermediary pursuant to the Intermediaries Offer.

b. **Why is this prospectus being produced?**

i. ***Reasons for the issue***

The Issue is being made (alongside the Tender Offer) to offer new investors the opportunity to participate in the Company and, to the extent that demand exceeds the value of the Ordinary Shares being tendered, to raise additional funds to invest in accordance with the proposed new investment policy and objective of the Company. The Board, as advised by the Proposed Manager, believes that there are attractive opportunities for the Company to deliver long-term capital returns for Shareholders primarily through exposure to companies with shares admitted to listing on the Main Market, the AQSE or to trading on AIM, which are not, at the time of investment by the Company, constituents of the FTSE 100 Index.

ii. ***The use and estimated net amount of the proceeds***

The Issue is being undertaken in conjunction with the Tender Offer. Pursuant to the Tender Offer, where there are investors willing to acquire Ordinary Shares, all or some of the Ordinary Shares which are the subject of acceptances by Tendering Shareholders will not be repurchased by the Company but instead shall be sold to Incoming Shareholders pursuant to the Matched Bargain Facility. To the extent that the Company receives commitments from investors to acquire Ordinary Shares under the Placing in excess of the number of Ordinary Shares available to purchase from Tendering Shareholders, such excess demand shall be satisfied by the issue of new Ordinary Shares. Investors may also subscribe for new Ordinary Shares pursuant to the Offer for Subscription and/or the Intermediaries Offer.

The Company is seeking authority from Shareholders to issue up to 6 million Ordinary Shares on a non-pre-emptive basis pursuant to the Issue. If approved by Shareholders at the General Meeting, 6 million Ordinary Shares will be available to be issued to new and existing investors at the Issue Price. The actual number of Ordinary Shares to be issued pursuant to the Issue is not known as at the date of this Prospectus but will be notified by the Company through a Regulatory Information Service prior to Admission. The Issue is not being underwritten. The maximum size should not be taken as an indication of the number of Ordinary Shares to be issued.

The Company will invest the net proceeds of the Issue (if any) in accordance with the Company's proposed new investment objective and policy.

iii. ***Underwriting***

The Issue is not being underwritten.

iv. ***Material conflicts of interest***

As at the date of this Prospectus, there are no interests that are material to the Issue and no conflicting interests.