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This document comprises a prospectus relating to The Investment Company plc (the “Company”), prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority made under the UK Prospectus Regulation. This document has been drawn up as part of a simplified prospectus in accordance with Article 14 of the UK Prospectus Regulation.

This Prospectus has been approved by the FCA as competent authority under the UK Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer that is the subject of this Prospectus, nor should it be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares.

Applications will be made to the FCA and the London Stock Exchange for all of the new Ordinary Shares to be issued pursuant to the Issue to be admitted to the Official List (premium listing) and to trading on the premium segment of the main market of the London Stock Exchange respectively. It is expected that Admission will become effective and that dealings for normal settlement in such Ordinary Shares will commence on 26 July 2023. All dealings in Ordinary Shares will be at the sole risk of the parties concerned. The Ordinary Shares will not be dealt in on any other recognised investment exchange and no other such applications have been made or are currently expected.

The Company, each of the Directors and the Proposed Director, whose names appear on page 26 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company, the Directors and the Proposed Director, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

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

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

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 Prospectus and will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to the Issue, Admission or the other arrangements referred to in this 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 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 Prospectus, including its accuracy or completeness, or for any other statement made or purported to be made by it, or on its behalf, the Company or any other person in connection with the Company, the Ordinary Shares, the Issue, any Admission and nothing contained in this 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 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 Prospectus or any such statement.

Prospective investors should rely only on the information contained in this Prospectus (together with any supplementary prospectus published by the Company). No person has been authorised to give any information or make any representations other than those contained in the Prospectus and, if given or made, such information or representations must not be relied upon as having been so authorised by the Company, Singer Capital Markets, the Proposed Manager, or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company’s obligations under the UK Prospectus Regulation, the Prospectus Regulation Rules, the Listing Rules, the UK Market Abuse Regulation and the Disclosure Guidance and Transparency Rules, neither the delivery of this Prospectus nor any subscription for or purchase of Ordinary Shares made pursuant to the Issue shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

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 will not be entitled to the benefits of that Act. This document must not 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 is truthful or complete. Any representation to the contrary is a US criminal offence.

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 the Sponsor. 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 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

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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)	–
Return/(loss) before taxation	16,338	(225,409)	(97,776)	994,348
Taxation	(39,554)	–	(12,185)	–
Total (loss)/income after taxation	(23,216)	(225,409)	(109,961)	994,348
(Loss)/return on total income after taxation per Ordinary Share – basic and diluted	(0.49)p	(4.72)p	(2.30)p	20.83p

Table 3: Balance sheet for closed end funds

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

Issue	2023
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
General Meeting	11.00 a.m. on 26 June
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
Tender Offer Record Date to participate in the Tender Offer	6.00 p.m. on 14 July
Announcement of the results of the Tender Offer and the Issue (subject to the passing of the Resolutions at the General Meeting)	17 July
Calculation Date	6.00 p.m. on 18 July
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
Admission and dealings in new Ordinary Shares commence	8.00 a.m. on 26 July
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.

RISK FACTORS

An investment in the Ordinary Shares carries a number of risks including (without limitation) the risk that the entire investment may be lost. In addition to all other information set out in this Prospectus, the following specific factors should be considered when deciding whether to make an investment in the Ordinary Shares.

The Directors believe that the risks described below are the material risks relating to the Ordinary Shares and the Company at the date of this Prospectus. However, they are not the only risks relating to the Ordinary Shares or the Company. 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 this Prospectus carefully and in its entirety and consult with their professional advisers before making an application to participate in the Issue.

As required by the UK Prospectus Regulation, the risk that the Directors consider to be the most material risk in each category, taking into account the negative impact on the Company and the probability of its occurrence, has been set out first. Given the forward-looking nature of the risks, there can be no guarantee that any such risk is, in fact, the most material or the most likely to occur. Investors should, therefore, review and consider each risk.

PART A – RISKS AFFECTING THE COMPANY IF THE PROPOSALS ARE APPROVED INCLUDING IN RELATION TO THE NEW INVESTMENT OBJECTIVE AND POLICY AND THE APPOINTMENT OF THE PROPOSED MANAGER

The Company will be dependent on the performance of UK equity capital markets

If the Proposals are approved, the Company will predominantly invest in UK listed equities with a market capitalisation of under £250 million. The Company's performance will be affected by, amongst other things, general conditions affecting the underlying performance of UK equity capital markets, whether as a whole or specific to the Company's investments. Asset valuations of UK listed or quoted companies can fluctuate sharply as a result of underlying trends and changes in market confidence. The Company's ability to dispose of its holdings, and the price realised upon any such disposals, will also depend on the general conditions affecting the UK equity capital markets at the time of the disposal. The Company's business and results of operations may be materially adversely affected by a number of factors outside of its control, including but not limited to a general UK equity capital market contraction. If conditions affecting the UK equity capital markets 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.

The Company's investments may be less liquid than larger companies traded on the London Stock Exchange. Such illiquidity may affect the Company's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, equity market or other conditions. This could have an adverse effect on the Company's business, prospects, financial condition and results of operations.

Investment in the securities of UK Small and Mid-Cap Companies is more risky and may be subject to higher fluctuations than investments in companies with larger market capitalisations

If the Proposals are approved, the Company intends to invest in the securities of UK Small and Mid-Cap Companies.

UK Small and Mid-Cap Companies can be expected, in comparison to larger companies, to have less mature businesses, a more restricted depth of management and a higher risk profile. As UK Small and Mid-Cap Companies do not generally have the financial strength, diversity and resources of larger companies, they may find it more difficult to overcome periods of economic slowdown or recession. The risk of bankruptcy of many UK Small and Mid-Cap Companies (with the attendant losses to investors) is also higher. In addition, UK Small and Mid-Cap 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 business and prospects and the value of the investment in them made by the Company.

The relatively small market capitalisation of UK Small and Mid-Cap Companies can make the market in their shares illiquid. Therefore, prices of UK Small and Mid-Cap Companies are often more volatile than prices of larger capitalisation stocks. In addition, securities of UK Small and Mid-Cap Companies are generally more vulnerable to adverse market factors such as unfavourable economic reports.

Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. Accordingly, this may lead to volatility in the market price of Ordinary Shares. 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 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.

The Company may not achieve its investment objective and, therefore, may be unable to achieve any returns to Shareholders

The Company may not achieve its investment objective. If the Proposals are approved, the Company's investment objective will be to provide Shareholders with long-term capital growth. However, the ability to achieve this objective is not guaranteed and will depend on many factors, including the price and performance of the Company's investments, the availability of investment opportunities falling within the Company's investment objective and policy, market conditions, macro-economic factors and the Company's ability to successfully operate its activities and execute its investment strategy.

The past performance of other investments managed or advised by the Proposed Manager cannot be relied upon as an indicator of the future performance of the Company. Such investments relate to investment vehicles with different investment objectives, strategies, and risk profiles, and were made under different market and economic conditions. Accordingly, the performance of these other investments may not be comparable to the performance of the Company.

If the Company is unable to achieve its investment objective, Shareholders may not receive back the full amount of their original investment in the Ordinary Shares.

The valuation of the Company's investments may not reflect the price at which the Company is ultimately able to realise them

There can be no assurance that investments acquired by the Company in accordance with its new investment objective and policy will ultimately be realised for amounts equal to, or greater than, the price at which the Company acquired them, or that the past performance information based on such price or valuation will accurately reflect the realisation value of such investments. The actual realised returns generated by unrealised investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the valuation ascribed by the Company to such investments on their acquisition are based. Valuations are subject to determinations, judgments and opinions, and other third parties or investors may disagree with such valuations. Realisations of the Company's investments below the Company's valuation will have an adverse effect on the Company's Net Asset Value.

The Company does not expect to control companies in its Portfolio and cannot therefore ensure that they do not make decisions that decrease the returns to the Company from that investment

The Company is subject to the risk that companies acquired by the Company in accordance with its new investment objective and policy may make business decisions with which it disagrees and which may decrease the value of the Company's investment in that company or, in some circumstances, cause reputational damage to the Company. If this were to happen, it could have an adverse effect on the Company's revenues, the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Ordinary Shares.

Greater concentration of investments in any one sector may result in greater volatility in the value of the Company's investments

The Company will not be subject to restrictions on the amount it may invest in any particular sector or geographic area. Although the Portfolio is expected to be diversified in terms of sector exposures, the Company may have significant exposure to portfolio companies from certain 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 Shareholders.

The Company's success 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

With effect from Completion of the Tender Offer, the success of the Company will depend on *inter alia* the Proposed Manager's ability to acquire and realise investments in accordance with the Company's published investment policy. This, in turn, will depend on the ability of the Proposed Manager to identify suitable investments for the Company to invest in and to advise on the timing of such realisations. There can be no assurance that the Proposed Manager will be able to do so or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

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

The Company will depend on the diligence, skill, judgment and business contacts of the Proposed Manager's investment professionals, and the information they will build up during the normal course of their activities. The Company's future success depends on the continued service of these individuals, who are not obligated to remain employed with the Proposed Manager, and the Proposed Manager's ability to strategically recruit, retain and motivate new talented personnel. The Proposed Manager may not be successful in its efforts to recruit, retain and motivate the required personnel as the market for qualified investment professionals is extremely competitive. 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 the price of the Ordinary Shares.

The Proposed Manager's due diligence may not identify all risks and liabilities in respect of an investment

To the extent the Proposed Manager or other third parties underestimate or fail to identify risks and liabilities associated with the investment in question, the Company may incur, directly or indirectly, unexpected liabilities. In addition, if there is a failure of due diligence, there may be a risk that investments are made which are not consistent with the investment objective and investment policy of the Company, and that investments are made that fail to perform in accordance with projections. This may, in turn, have a material adverse effect on the Company's performance, financial condition and business prospects.

There can be no assurance that the Directors will be able to find a replacement investment manager if the Proposed Manager terminates its appointment

Under the terms of the Investment Management Agreement, the Proposed Manager may terminate its appointment by giving the Company not less than 12 months' written notice, such notice not to expire earlier than the date falling four years from the date on which the Tender Offer becomes unconditional in all respects. The Proposed Manager shall, from the date such notice takes effect, cease to make investment decisions on behalf of the Company.

The Directors would, in these circumstances, have to find a replacement investment manager for the Company and there can be no assurance that such replacement with the necessary skills and experience could be appointed on terms acceptable to the Company. 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 the price of the Ordinary Shares. The Directors may also consider formulating proposals to put forward to Shareholders for the future of the Company, which may include its merger with another investment company, reconstruction or winding up. In such circumstances, this may have a material adverse effect on the Company's Net Asset Value and the price of the Ordinary Shares.

The Proposed 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 Proposed Manager is not required to commit all of its resources to the Company's affairs and manages funds other than the Company. Insofar as the Proposed Manager devotes resources to its responsibilities to other business interests, its ability to devote resources and attention to the Company's affairs may 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 the price of the Ordinary Shares.

The Proposed 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 Proposed Manager and its affiliates are involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company. The Proposed

Manager manages funds other than the Company and may provide investment management, portfolio 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 Proposed 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 the same or similar.

Although the Directors have satisfied themselves that the Proposed Manager has procedures in place to address potential conflicts of interest, there is a risk that such conflicts of interest could result in the Company being unable to make a desired investment or having to pay a higher price for such investment. They may also result in the Company receiving different returns than other investors may receive on the same investment.

The implementation of the Proposals may affect the ability of the Company to make distributions in the future

In order to pay the consideration to which Shareholders are entitled pursuant to the Tender Offer, the Company may use a significant amount of its distributable reserves, which may affect the Company's ability to make distributions in the future. This may adversely affect the returns to Shareholders.

The implementation of the Proposals may cause the costs per Ordinary Share to increase

In the event that demand from Incoming Shareholders is less than the number of Ordinary Shares validly tendered, the number of Ordinary Shares in issue may be reduced as a result of the Tender Offer. Accordingly, the fixed costs of the Company following Completion of the Tender Offer may be spread over fewer Ordinary Shares, and there may be an increase in the impact of the fixed costs of the Company on the NAV per Ordinary Share.

PART B - RISKS RELATING TO THE COMPANY

Changes in economic conditions could substantially and adversely affect the Company's prospects

Economic recessions, downturns, and uncertainties can lead to volatility and instability in financial markets. In addition, the performance of the underlying issuers of the Company's investments, the price and liquidity of its investments and the level of income it receives from its investments may be affected, substantially and either adversely or favourably, by a variety of other factors (many of which are outside the control of the Company or the Proposed Manager), including, but not limited to:

- changes in economic conditions (including, for example, unemployment, recession and inflation, volatile exchange rates, changes in interest rates and low business or consumer confidence);
- changes in industry conditions or the competitive environment;
- restricted availability of financing;
- changes in law, taxation, regulation or government policy;
- foreign currency fluctuations;
- exchange controls or withholding taxes;
- stock market movements and investor perceptions;
- natural disasters, political and diplomatic events, terrorism, social unrest, civil disturbances or the outbreak of war; and
- insofar as it is affected by any of the above, the response of the Company to the above.

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 full 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, currency and exchange rate fluctuations, 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. Shareholders may be unable to sell the Ordinary Shares at a price equal to or higher than the price at which they originally acquired them.

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

The Company has no employees and is reliant upon the performance of third party service providers for certain of its executive functions. In particular, the Administrator and the Custodian will be performing services which are integral to the operation of the Company. Failure by either of these or any other 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 Board maintains oversight over the operations of the Company, but has outsourced certain of its operations to third party service providers and is therefore reliant on third party service providers to operate, amongst other things, adequate disaster recovery plans, fraud prevention, cyber security and data protection policies. Failure by any service provider to carry out its obligations in accordance with the terms of its appointment could have a material adverse effect on the Company's prospects and results of operations. Such failures could include cybersecurity breaches (which are described in further detail below) or other information technology failures, fraud, poor record keeping and loss of assets which may adversely affect the Net Asset Value of the Company and returns to Shareholders.

If the Proposals are not implemented, the Company will have to bear the abortive costs associated with the Proposals

The Proposals are subject to a number of conditions, including Shareholder approval and the Continuation Conditions. If such conditions are not satisfied, the Proposals will not be implemented, and the Company will have to bear the abortive costs associated with the Proposals. This will have an adverse effect on the NAV per Ordinary Share.

The Company is subject to the risk of cybersecurity breaches

The Company, its service providers and its investee companies may be prone to operational, information security and related risks resulting from failures of, or breaches in, cybersecurity. A failure of, or breach in, cybersecurity ("cyber incidents") refers to both intentional and unintentional events that may cause the relevant party to lose proprietary information, suffer data corruption, or lose operational capacity. Cyber incidents can result from deliberate attacks ("cyber-attacks") or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g. through 'hacking' or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e. efforts to make network services unavailable to intended users). Cyber incidents may cause disruption and impact business operations, potentially resulting in financial losses, interference with the ability to calculate the Net Asset Value, impediments to trading, the inability of Shareholders to deal in the Ordinary Shares, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. While the Company's service providers have established business continuity plans in the event of, and risk management strategies, systems, policies and procedures to seek to prevent, cyber incidents, there are inherent limitations in such plans, strategies, systems, policies and procedures, including the possibility that certain risks have not been identified. Furthermore, none of the Company and/or its service providers can control the cybersecurity plans, strategies, systems, policies and procedures put in place by the investee companies in which the Company proposes to invest. Cyber incidents and cyber-attacks in relation the Company, its service providers and investee companies may adversely affect the Net Asset Value of the Company.

Borrowings may adversely affect the total return on the Ordinary Shares where the return on the Company's portfolio is lower than the cost of borrowing and may increase the volatility of the NAV per Ordinary Share

The Company does not intend to currently use borrowings while it is a small registered AIFM. Nevertheless, the Company does not have any borrowing restrictions in its Articles and its proposed investment policy permits the use of gearing (being total borrowings measured against gross assets) up to 20% at the time of drawdown. While the use of borrowings should enhance the total return on the Ordinary Shares 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 falling, further reducing the total return on the Ordinary Shares. As a result, the use of borrowings by the Company may increase the volatility of the Net Asset Value per Ordinary Share.

Any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its Net Asset Value (which is likely to adversely affect the price of an Ordinary Share). Any reduction in the number of Ordinary Shares in issue (for example, if the Company were to undertake buybacks) will, in the absence of a corresponding reduction in borrowings, result in an increase in the Company's level of gearing.

To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy or borrowing limits, the Company may have to sell investments in order to reduce borrowings, which may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments.

Changes in laws or regulations governing the Company's activities may adversely affect the Company's performance

The Company is subject to laws and regulations enacted by national and local governments. In particular, the Company is subject to and is required to comply with certain regulatory requirements that are applicable to listed closed-ended investment companies, including the Listing Rules, the UK Prospectus Regulation, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the UK Market Abuse Regulation, the UK AIFM Regime and the UK PRIIPs Regulation. In addition, the Company is subject to the continuing obligations imposed by the FCA on all investment companies whose shares are listed on the Official List.

Any change in the law and regulation affecting the Company may have a material adverse effect on the ability of the Company to carry on its investment activities 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.

Public health emergencies generally may affect the Company's activities

The effects of a future public health emergency, such as the coronavirus pandemic in 2019 (COVID-19), cannot be accurately predicted. Any public health emergency could have a significant adverse impact on the Company and could adversely affect the Company's ability to fulfil its investment objectives. In particular:

- Restrictions on global commercial activity and volatility in equity, debt, derivatives and commodities markets, as was experienced during the COVID-19 pandemic, may materially and adversely impact the value and performance of the Company's investments, the Company's ability to source, manage and divest investments and the Company's ability to achieve its investment objectives, all of which could result in significant losses to the Company.
- The ultimate realised proceeds upon disposition of unrealised investments may be materially lower than the valuations expected by the Proposed Manager, both in respect of existing and future investments.
- The operations of the Company, the Proposed Manager and portfolio investments may be significantly impacted, or even temporarily or permanently halted in circumstances where restrictive measures designed to help slow the spread of any pandemic are implemented on a national or global scale.
- Investee companies could face material declines in demand and could face both increased governmental intervention and regulation and/or litigation in respect of such events.
- Investee companies may face decreased cash flows and may, as a result, be unable to meet their debt obligations (possibly leading to default) which would, in turn, have a material adverse effect of the performance of the Company.

Any public health emergency could therefore increase the risk of reductions in cash flows and/or the value of the Company's investments and, as a result, impact returns to Shareholders.

The continuing impact of the Russian invasion of Ukraine may have an adverse effect on the Company and its investments

Russia's invasion of Ukraine at the end of February 2022, and global reaction to the crisis, has affected global markets and stock markets across the world have seen volatility in share prices.

In addition, the United States, the United Kingdom, the European Union and others have announced far-reaching economic sanctions against Russia, Belarus and a number of Russian businesses and individuals, and it is likely that further additions to sanctions lists will follow. More generally, there has been considerable public pressure on companies not to do business in Russia or with Russian counterparties. Both the war itself and the sanctions are also considered to be major factors in significant rises in energy costs and other prices around the world. Global supply chains have been, and are expected to continue to be, negatively and significantly impacted by the invasion.

All of these factors may have a material adverse effect on the performance of the Company's portfolio companies, and therefore the Company, its NAV and returns to Shareholders.

The performance of the Company's investments may be affected by force majeure

The performance of the Company's investments may be affected by reason of events such as war, civil war, riot or armed conflict, terrorism, acts of sabotage, pandemics, epidemics and natural disasters such as storms, earthquakes, tidal waves, floods, lightning, explosions, fires and destruction of plant, machinery and/or premises, which are outside its control.

If a force majeure event continues or is likely to continue to affect the performance of an investment for a long period of time, this may have a material adverse effect on the performance of the Company, its NAV and returns to Shareholders.

Cash and cash-equivalent investments

A proportion of the Company's assets may be held in cash or cash-equivalent investments from time to time. When assets are held in cash or cash-equivalent investments, they will be out of the market and will not benefit from positive stock market movements (but may give some protection against negative stock market movements). Although the Company's performance is measured in Sterling, a proportion of the Company's assets may be either denominated in other currencies or be in investments with currency exposure.

PART C – RISKS RELATING TO THE ORDINARY SHARES

The value of the Ordinary Shares may fluctuate

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 full 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 therefore 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 to listing on the Official List should not be taken as implying that there will be a liquid market for the Ordinary Shares. Consequently, the share price may be subject to greater fluctuation on small volumes of trading of Ordinary Shares and the Ordinary Shares may be difficult to sell at a particular price. The market price of the Ordinary Shares and may not reflect their underlying Net Asset Value.

While the Directors retain the right to effect repurchases of Ordinary Shares in accordance with the Articles, 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 therefore be required to dispose of their Ordinary Shares in the market. There can be no guarantee that a liquid market in the Ordinary Shares will be maintained 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 Company may issue new shares in the future which may be dilutive to existing Shareholders' voting rights

Following the Issue, the Company may issue new equity in the future. While the Companies Act contains statutory pre-emption rights for Shareholders in relation to issues of shares in consideration for cash, the Company currently has an existing authority to issue up to 954,408 million Ordinary Shares on a non-pre-emptive basis following Admission. Where statutory pre-emption rights are disapplied, any additional equity financing will be dilutive to the voting rights of those Shareholders who cannot, or choose not to, fully participate in such financing.

PART D – RISKS RELATING TO TAXATION

Any failure to maintain investment trust status could affect the Company's ability to provide returns to Shareholders

The Directors intend to continue 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 but it cannot be guaranteed that such approval will be maintained. A failure to 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 maintain 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 company, 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 tax legislation or practice, whether in the UK or elsewhere, could affect the value of investments held by the Company, affect the ability of the Company to provide returns to Shareholders, and affect the tax treatment for Shareholders of their investments in the Company.

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

The Company may be subject to due diligence and reporting obligations which may be onerous

The UK has entered into a number of international arrangements which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, FATCA, the Common Reporting Standard, and a number of other arrangements with particular jurisdictions. In connection with agreements and arrangements of this kind, 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 the authorities in other jurisdictions. Failure of the Company to comply with these obligations, which may be onerous, may result in fines being imposed on the Company and, in such event, the target returns of the Company may be affected.

IMPORTANT INFORMATION

GENERAL

This Prospectus (together with any supplementary prospectus published by the Company) 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 (together with any supplementary prospectus published by the Company).

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 Proposed Manager, the Administrator, the Custodian, the Sponsor, the Intermediaries Offer Adviser or any of their respective affiliates, officers, members, directors, employees or agents. Without prejudice to the Company's obligations under the UK Prospectus Regulation, the Prospectus Regulation Rules, the Listing Rules, the UK Market Abuse Regulation and the Disclosure Guidance and Transparency Rules, neither the delivery of the Prospectus nor any subscription for or purchase of Ordinary Shares made pursuant to the Issue 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 the Prospectus is correct as at any time subsequent to, the date of the Prospectus.

Apart from the liabilities and responsibilities, if any, which may be imposed on the Sponsor by the FCA or under 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, the Sponsor makes no representation, 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 Ordinary Shares, the Issue or Admission. Accordingly, the Sponsor (together with its affiliates), to the fullest extent permitted by law, disclaims all and any liability (save for any statutory liability) whether arising in tort, contract or which they might otherwise have in respect of this Prospectus or any other statement.

All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Company's memorandum of association, the Existing Articles and the New Articles which investors should review. A summary of the New Articles is contained in paragraph 5 of Part 10 of this Prospectus under the section headed "*Articles of Association*".

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

In connection with the Issue, Singer Capital Markets and any of its affiliates acting as an investor for its or their own account(s), may take up a portion of the Ordinary Shares as a principal position and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such Ordinary Shares, 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, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, Singer Capital Markets and any of its affiliates acting in such capacity as an investor for its or their own account(s). In addition, Singer Capital Markets or its affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which Singer Capital Markets or its affiliates may from time to time acquire, hold or dispose of Ordinary Shares. Neither Singer Capital Markets nor any of its affiliates intends to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

Under the Intermediaries Offer, the Ordinary Shares are being offered to Intermediaries who will facilitate the participation of their retail investor clients (and any member of the public who wishes to become a client of that Intermediary) located in the United Kingdom. The Company consents to the use of this Prospectus in connection with any subsequent resale or final placement of securities by financial intermediaries in the United Kingdom on the following terms from the date on which they are appointed to participate in connection with any subsequent resale or final placement of securities and, in each case, until the closing of the period for the subsequent resale or final placement of securities by financial intermediaries at 11.00 a.m. on 14 July 2023, unless closed prior to that date.

The offer period within which any subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use this Prospectus is given commences on 9 June

2023 and closes on 14 July 2023, unless closed prior to that date (any such prior closure to be announced through a Regulatory Information Service).

Any financial intermediary using the Prospectus has to state on its website that it uses the Prospectus in accordance with the consent and the conditions attached thereto. Intermediaries are required to provide the terms and conditions of the Intermediaries Offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such Intermediary. **Information on the terms and conditions of any subsequent resale or final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.**

The Company consents to the use of this Prospectus and accepts responsibility for the information contained in this Prospectus with respect to subsequent resale or final placement of securities by any financial intermediary given consent to use this Prospectus.

Information with respect to the Intermediaries (including a list of the Intermediaries that have been appointed in connection with the Intermediaries Offer) will be available on the Company's website at <https://theinvestmentcompanyplc.co.uk>.

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 variations or similar expressions. Such forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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 (including under the UK Prospectus Regulation), the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the UK Prospectus Regulation, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the UK Market Abuse Regulation and the Listing Rules.

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

TRACK RECORD AND PERFORMANCE INFORMATION

This Prospectus includes information regarding the track record and performance data of the Proposed Manager. Past performance is not necessarily indicative of future results, and there can be no assurance that the Company or its Portfolio will achieve comparable results to those presented herein, that the Company or the Proposed Manager will be able to implement their investment strategies or achieve the Company's investment objective or that the returns generated by any investments by the Company will equal or exceed any past returns presented herein. Prospective investors should be aware that any investment in the Company is speculative, involves a high degree of risk, and could result in the loss of all or substantially all of their investment.

MARKET, ECONOMIC AND INDUSTRY DATA

This Prospectus includes certain market, economic and industry data which were obtained by the Company from industry publications, data and reports compiled by professional organisations, analysts and data from other external sources. Where information has been referenced in this Prospectus, the source of that third party information has been disclosed. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In some cases, there is no readily available external information to validate market-related analyses and estimates, requiring the Company to rely on internally developed estimates and the Proposed Manager's and Directors' knowledge of UK Small and Mid-Cap Companies.

INVESTMENT CONSIDERATIONS

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

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

An investment in Ordinary Shares should be regarded as a long-term investment. There can be no assurance that the Company's investment objective will be achieved. An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such investment, who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in the Ordinary Shares constitutes part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the Company and who have sufficient resources to bear any loss (which may be equal to the whole amount invested) which might result from such investment.

Prospective investors should rely only on the information contained in this Prospectus (together with any supplementary prospectus issued by the Company). In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Issue, including the merits and risks involved.

Neither the Company nor the Proposed Manager nor any of their respective representatives is making any representation to an offeree or purchaser under the laws applicable to such offeree or purchaser. Prospective investors should consult with and 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 in Ordinary Shares.

Prospective investors acknowledge that: (i) they have not relied on Singer Capital Markets, the Proposed Manager or any person affiliated with either of them in connection with any investigation of the accuracy of any information contained in this Prospectus (or any supplementary prospectus issued by the Company) or their investment decision; and (ii) they have relied only on the information contained in this Prospectus (together with any supplementary prospectus issued by the Company); and (iii) that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the Ordinary Shares (other than as contained in this Prospectus and any supplementary prospectus issued by the Company) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, Singer Capital Markets, the Proposed Manager or any of their respective affiliates.

NO INCORPORATION OF WEBSITE INFORMATION

Save for the 2022 Report and Accounts and the 2023 Half-Year Report which are incorporated by reference into this Prospectus, the contents of the websites <https://theinvestmentcompanyplc.co.uk> and <https://chelvertonam.com> do not form part of this Prospectus. Investors should base their decision whether or not to invest in the Ordinary Shares on the contents of this Prospectus alone.

TIMES AND DATES

References to times and dates in this Prospectus are, unless otherwise stated, to United Kingdom times and dates.

DATA PROTECTION

The information that a prospective investor in the Company provides in documents in relation to a subscription for Ordinary Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("**personal data**") will be held and processed by the Company (and any third party to whom it may delegate certain administrative functions in relation to the Company) in compliance with (a) the EU General Data Protection Regulation 2016/679 ("**EU GDPR**") and/or the EU GDPR as it forms part of the domestic law of the United Kingdom by virtue of the EUWA ("**UK GDPR**") and the UK Data Protection Act 2018 (as amended from time to time) ("**Data Protection Legislation**"); and (b) the Company's privacy notice, a copy of which is available for review on the

Company's website <https://theinvestmentcompanyplc.co.uk> (and, if applicable, any other third party delegate's private notice) ("**Privacy Notice**").

Without limitation to the foregoing, each prospective investor acknowledges that it has been informed that such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company, which may include, without limitation, the Registrar) and in accordance with the Company's Privacy Notice for the purposes set out therein including:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Company and the administering of interests in the Company; and
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere or any third party, functionary or agent appointed by the Company.

For the purposes set out above, it may be necessary for the Company (or any third party, functionary or agent appointed by the Company, which may include, without limitation, the Registrar) to:

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

The foregoing processing of personal data is required in order to perform the contract with the prospective investor to comply with the legal and regulatory obligations of the Company or otherwise is necessary for the legitimate interests of the Company.

If the Company (or any third party, functionary or agent appointed by the Company, which may include, without limitation, the Registrar) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that such transfer is in accordance with applicable Data Protection Legislation.

When the Company, or its permitted third parties, transfers personal information outside the United Kingdom (or the EEA, to the extent that the EU GDPR applies in respect of the personal data being transferred), it will ensure that the transfer is subject to appropriate safeguards in accordance with applicable Data Protection Legislation.

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

Individuals have certain rights in relation to their personal data; such rights and the manner in which they can be exercised are set out in the Company's Privacy Notice.

REGULATORY INFORMATION

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. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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.

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 they be registered under 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. 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 document. 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. The Ordinary Shares may not be offered, sold, pledged or otherwise transferred to: (i) any US Person or a person acting for the account of a US Person; or (ii) a Benefit Plan Investor.

Each subscriber for Ordinary Shares will be required to certify that, among other things, it is not a US Person (within the meaning of Regulation S) and it is not acquiring the Ordinary Shares for the account or benefit of a US Person.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) the UK's implementation of EU Directive 2014/65/EU on markets in financial instruments, as amended ("**UK MiFID II**") and (b) the UK's implementation of Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing UK MiFID II, and in particular Chapter 3 of the Product Intervention and Product Governance Sourcebook of the FCA (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in UK MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by UK MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors (such term to have the same meaning as in the MiFID II Product Governance Requirements) should note that: the market price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of UK MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

DISTRIBUTION TO RETAIL INVESTORS

The Company conducts its affairs so that its Ordinary Shares can be recommended by financial advisers to retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investment products. The Ordinary Shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investment products because they are shares in an investment trust.

The Company conducts its affairs so that its Ordinary Shares can be recommended by financial advisers to retail investors in accordance with the rules on the distribution of financial instruments under UK MiFID II. The Directors consider that the requirements of Article 57 of the UK MiFID II Delegated Regulation are met in relation to the Ordinary Shares and that, accordingly, the Ordinary Shares should be considered "non-complex" for the purposes of UK MiFID II.

KEY INFORMATION DOCUMENT

In accordance with the UK PRIIPs Regulation, a key information document prepared in relation to the Ordinary Shares is available on the Company's website: <https://theinvestmentcompanyplc.co.uk>. It is the responsibility of each distributor of Ordinary Shares to ensure that its "retail clients" are provided with a copy of the key information document.

The Company is the manufacturer of the Ordinary Shares for the purposes of the UK PRIIPs Regulation and Singer Capital Markets is not a manufacturer for these purposes. Singer Capital Markets does not make any representation, express or implied, or accept any responsibility whatsoever for the contents of the key information document prepared by the Company in relation to the Ordinary Shares nor accepts any responsibility to update the contents of the key information document in accordance with the UK PRIIPs Regulation, to undertake any review processes in relation thereto or to provide such key information

document to future distributors of Ordinary Shares. Singer Capital Markets and its affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might have in respect of the key information documents prepared by the Company.

FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each 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 EU Prospectus Regulation, except that offers of Ordinary Shares to the public may be made at any time under the following exemptions under the EU Prospectus Regulation:

- (a) to any legal entity which is a “**qualified investor**” as defined in the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than “qualified investors” as defined in the EU Prospectus Regulation) in such Relevant Member State; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

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

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Ordinary Shares in any Relevant Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares.

Any prospective investor domiciled in the EEA that has received the Prospectus in any Relevant Member State should not subscribe for Ordinary Shares (and the Company reserves the right to reject any application so made, without explanation) unless (i) the Company has confirmed that it has made the relevant notifications and/or applications in that Relevant Member State and is lawfully able to market the Ordinary Shares into that Relevant Member State; or (ii) such investor has received the Prospectus on the basis of an enquiry made at the investor’s own initiative and it is a person to whom the Ordinary Shares may lawfully be offered under the AIFM Directive or under the applicable implementing legislation (if any) of that Relevant Member State.

Notwithstanding that the Proposed Manager may have confirmed that it is able to market Ordinary Shares to professional investors in a Relevant Member State, the Ordinary Shares may not be marketed to retail investors (as this term is understood in the AIFM Directive as transposed in the Relevant Member States) in that Relevant Member State unless the Ordinary Shares have been qualified for marketing to retail investors in that Relevant Member State in accordance with applicable local laws. At the date of this Prospectus, the Ordinary Shares are not eligible to be marketed to retail investors in any Relevant Member State. Accordingly, the Ordinary Shares may not be offered, sold or delivered and neither this Prospectus nor any other offering materials relating to such Ordinary Shares may be distributed or made available to retail investors in those countries.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Issue	2023
Publication of this document, the Prospectus 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
General Meeting	11.00 a.m. on 26 June
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
Tender Offer Record Date to participate in the Tender Offer	6.00 p.m. on 14 July
Announcement of the results of the Tender Offer and the Issue (subject to the passing of the Resolutions at the General Meeting)	17 July
Calculation Date	6.00 p.m. on 18 July
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
Admission and dealings in new Ordinary Shares commence	8.00 a.m. on 26 July
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.

ISSUE STATISTICS

Issue Statistics

Issue Price the NAV per Ordinary Share (before deducting any accrued or paid Transaction Costs) on the Calculation Date

Maximum number of Ordinary Shares that may be issued pursuant to the Issue 6,000,000

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 there is demand from investors willing to acquire Ordinary Shares in excess of the number of Ordinary Shares available to purchase from Tendering Shareholders, such excess demand shall be satisfied by the issue of Ordinary Shares pursuant to the Placing. 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 6,000,000 Ordinary Shares on a non-pre-emptive basis pursuant to the Issue. If approved by Shareholders at the General Meeting, 6,000,000 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.

DEALING CODES

ISIN GB0004658257
SEDOL 0465825
Ticker INV
Legal Entity Identifier 2138004PBWN5WM2XST62

DIRECTORS, MANAGEMENT AND ADVISERS

Directors	Ian Dighé (<i>Non-executive Chairman</i>) Timothy Metcalfe (<i>Senior independent non-executive Director</i>) Martin Perrin (<i>Non-executive Director</i>) Michael Weeks (<i>Non-executive Director</i>) all independent Directors
Proposed Director	David Horner (<i>Non-independent non-executive Director</i>) <i>all of the registered office below:</i>
Registered Office	Suite 8 Bridge House Courtenay Street Newton Abbot Devon TQ12 2QS United Kingdom
Proposed Manager	Chelverton Asset Management Limited 11 Laura Place Bath BA2 4BL United Kingdom
Sponsor	Singer Capital Markets Advisory LLP One, Bartholomew Lane London EC2N 2AX United Kingdom
Settlement Agent and Intermediaries Offer Adviser	Singer Capital Markets Securities Limited One, Bartholomew Lane London EC2N 2AX United Kingdom
Legal Adviser to the Company	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH United Kingdom
Legal Adviser to Singer Capital Markets	Bryan Cave Leighton Paisner LLP Governor's House 5 Laurence Pountney Hill London EC4R 0BR United Kingdom
Custodian	Fiske plc 100 Wood Street London EC2V 7AN United Kingdom

Administrator and Company Secretary	ISCA Administration Services Limited Suite 8 Bridge House Courtenay Street Newton Abbot Devon TQ12 2QS United Kingdom
Registrar	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA United Kingdom
Receiving Agent	Neville Registrars Limited Neville House Steelpark Road West Midlands Halesowen B62 8HD United Kingdom
Reporting Accountant	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW United Kingdom
Auditor	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD United Kingdom

PART I

INFORMATION ON THE COMPANY

1. INTRODUCTION AND BACKGROUND

The Investment Company plc (the “**Company**”) is a closed-ended investment company incorporated in England and Wales on 14 November 1868 and registered as an investment company under Section 833 of the Companies Act. The Company intends to carry on its activities as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

The Company owns Abport Limited, an investment dealing company, and New Centurion Trust Limited, an inactive investment company (the “**Subsidiaries**”). The Company and its Subsidiaries together comprise the “**Group**”.

Over its history, the Company has undergone a number of changes of investment policy and operational structure to most appropriately reflect the interests of its Shareholders.

As a split capital trust invested in fixed income securities, the Company previously maintained a level of dividend payments which became increasingly difficult to achieve without detriment to the capital base of the Company. By 2020, market interest rates had dropped to historically low levels and the Covid-19 pandemic led to many companies re-appraising their dividend policies.

On 4 November 2020, Shareholders approved a new investment objective to protect the purchasing power of the Company’s capital in real terms. Following this, the Board disposed of the Company’s portfolio of preference shares, fixed-income securities and other income-oriented investments and made investments in companies which demonstrated good financial health and avoided unnecessary risk. The remainder of the Portfolio was kept in the form of gold bullion.

Whilst the Board is satisfied with the Company’s performance since 2020, it has, however, been mindful for some time of the size of the Company, together with the illiquid nature of the Ordinary Shares, and the impact of these factors on the discount to NAV at which the Ordinary Shares trade. This discount has persisted despite the strong NAV performance. Accordingly, the Board announced in February 2023 that it was actively considering credible opportunities to grow the size and increase the liquidity of the Company while also providing an immediate complete liquidity option for all Shareholders who wish to realise their shareholding.

2. THE PROPOSALS

The Company has published a circular setting out details of proposals which comprise:

- the appointment of Chelverton Asset Management Limited as the Company’s investment manager;
- the appointment of David Horner, the founder and managing director of the Proposed Manager, as a Proposed Director;
- an amendment to the Company’s investment objective and policy;
- a tender offer to all Shareholders to realise some or all of their investment in the Company;
- the cancellation of the amounts standing to the credit of the Company’s share premium account and capital redemption reserve in order to increase the Company’s distributable reserves to fund the Tender Offer;
- an issue of up to 6 million Ordinary Shares on a non-pre-emptive basis for new and existing investors;
- an amendment to the Company’s articles of association to change the timing of the Company’s next continuation vote; and
- following completion of the Issue and the Tender Offer, a sub-division of the Company’s Ordinary Shares,

(together, the “**Proposals**”).

The Proposals require Shareholder approval and are conditional on, *inter alia*, Resolution 3 being passed at the General Meeting.

3. 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.

4. INVESTMENT POLICY

The Company's current investment policy is as follows:

The Company will seek to acquire and hold, with no predetermined investment time horizon, a collection of assets which, in the Directors' judgment, are well-suited to the avoidance of a permanent loss of capital. These assets will be comprised of minority participations in the equity, debt or convertible securities of quoted businesses which the Directors believe are led by responsible and like-minded managers and suitable for the long-term compounding of earnings. In addition, to protect its capital as well as to maintain liquidity for future investments, the Company will keep reserves in (a) liquid debt instruments such as cash in banks or securities issued by governments and/or (b) liquid, non-debt, tangible assets such as gold bullion, whether held indirectly or in physical form.

The Company has no predetermined maximum or minimum levels of exposure to asset classes, currencies or geographies, and has the ability to invest globally. These exposures will be monitored by the Board in order to ensure an adequate spreading of risks. No holding in an individual company or debt instrument will represent more than 15 per cent. by value of the Company's total assets at the time of acquisition (such restriction does not, however, apply to gold bullion or cash balances). The Company's holdings of gold bullion may be as high as 35 per cent. of total assets at the time of investment.

Given the Company's investment objective, asset mix and time horizon, the portfolio will not seek to track any benchmark or index. The Company will not invest more than 10 per cent. of its total assets in other listed closed-ended investment funds. The Company will not use derivative instruments for speculative purposes, nor will it use currency hedges to manage returns in any currency.

The Company's gearing will not exceed 20 per cent. of net assets at the time of drawdown.

The Company's current investment strategy is set out in the Company's strategic report for the year ended 30 June 2022 and contained in the 2022 Annual Report and Accounts, which is incorporated by reference in this document as set out in paragraph 1 of Part 5 of this document.

Conditional on Completion of the Tender Offer, the Company's investment policy will be as follows:

The Company intends to fulfil its investment objective through investing in cash-generative quoted UK Small and Mid-Cap Companies that are expected to grow faster than the UK stock market as a whole over the long term and which can finance their own organic growth. The Company will primarily invest in equity securities of companies with shares admitted to listing on the Main Market, the AQSE or to trading on AIM with a market capitalisation of less than £250 million at the time of investment. The Company may also invest in companies with shares admitted to listing on the Main Market, the AQSE or to trading on AIM with a market capitalisation of £250 million or more at the time of investment for liquidity purposes. The Company will identify prospective companies through a formal quantitative and qualitative screening process which focuses on criteria such as the ability to convert a high proportion of profit into cash, sustainable margins, limited working capital intensity and a strong management team. Companies that successfully pass the screening process will form part of the Company's 'investable universe' of prospective companies.

The Company has not set any limits on sector weightings within the Portfolio but its exposures to sectors and stocks will be reported to, and monitored by, the Board in order to ensure that adequate diversification is achieved. The Company will maintain a diversified portfolio of a minimum of 60 holdings in UK Small and Mid-Cap Companies.

The Company may also invest in cash, cash equivalents, near cash instruments and money market instruments.

The Company will apply the following restrictions on its investments:

- o not more than 10 per cent. of the Company's Gross Assets at the time of investment will be invested in the securities of a single issuer;
- o no investment will be made in companies that are not listed or traded on the Main Market, the AQSE or AIM at the time of investment, nor in any companies which have not applied for their shares to be admitted to listing or trading on these markets;
- o no investment will be made in other listed or unlisted closed-ended investment funds or in any open-ended investment funds; and
- o the Company will not invest directly in FTSE 100 companies (preference shares, loan stocks or notes, convertible securities or fixed interest securities or any similar securities convertible into shares), nor will it invest in the securities of other investment trusts or in unquoted companies. The Company may, on some occasions, hold such investments as a result of corporate actions by investee companies. If the Company holds shares in a Company which enters the FTSE 100, it may not immediately divest of those shares but will do so when it considers appropriate, subject to market conditions.

The Company may hold assets acquired by the Company prior to the adoption of its investment policy for which there is no market and whose value the Company has written down to zero. The Company shall dispose of such assets as soon as is reasonably practicable.

Borrowing policy

The Company does not have any borrowing restrictions in its Articles. Although the Company has the ability to use bank borrowings for short-term liquidity purposes or on a longer-term basis for investment purposes, the Company has no intention of doing so whilst it is a small registered AIFM. If the Company were to seek to use bank borrowings in the future, it would first make an announcement via an RIS and in any event ensure that gearing (being total borrowings measured against gross assets) will not exceed 20 per cent. at the time of drawdown.

Breach of the investment policy

In the event of a breach of the investment policy set out above, the Proposed Manager shall inform the Directors upon becoming aware of the same and if the Directors consider the breach to be material, notification will be made via a Regulatory Information Service announcement.

Material change to the investment policy

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

5. DISTRIBUTION 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.

6. SHARE RATING MANAGEMENT

The Board considers that it would be undesirable for the market price of the Ordinary Shares to diverge significantly from their Net Asset Value for an extended period of time in normal market conditions.

Premium management

In the event that the Ordinary Shares trade at a premium to the Net Asset Value per Ordinary Share, the Company may issue new Ordinary Shares. Following completion of the Issue, the Directors will have authority to issue up to 954,408 Ordinary Shares (representing 20 per cent. of the issued Ordinary Shares at the date of the Company's last notice of annual general meeting). 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. 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.

Treasury shares

The Companies Act allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. This would give the Company the ability to re-issue Ordinary Shares quickly and cost effectively, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. No Ordinary Shares will be sold from treasury at a price less than the Net Asset Value per existing Ordinary Share at the time of their sale unless they are first offered *pro rata* to existing Shareholders.

Discount management

The Company may seek to address any significant discount to NAV at which its Ordinary Shares may be trading by purchasing its own Ordinary Shares in the market on an *ad hoc* basis.

Continuation vote

The Proposals include an amendment to the timing of the Company's next continuation vote. If approved, Shareholders will be offered the opportunity to vote on the continuation of the Company at the annual general meeting to be held in 2028 and at every fifth annual general meeting thereafter.

Market purchases of Ordinary Shares

Following Completion of the Tender Offer, the Directors will have the authority to make market purchases of up to 715,330 Ordinary Shares, representing 14.99 per cent. of the Ordinary Shares in issue (excluding those held in treasury) at the date of the Company's last notice of annual general meeting. The maximum price that may be paid for an Ordinary Share must not be more than the higher of: (i) an amount equal to 105 per cent. of the average of the middle market quotations of Ordinary Shares for the five Business Days immediately preceding the day on which the contract of purchase is made; and (ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by the regulatory technical standards adopted by the UK pursuant to the UK Market Abuse Regulation from time to time. Ordinary Shares will be repurchased only at prices below the prevailing NAV per Ordinary Share, which should have the effect of increasing the NAV per Ordinary Share for remaining Shareholders.

The Company's authority to make market purchases expires at the conclusion of the Company's annual general meeting in 2023. It is intended that 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.

Purchases of Ordinary Shares may be made only in accordance with the Companies Act, the Listing Rules and the Disclosure Guidance and Transparency Rules.

Investors should note that the repurchase of 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 Ordinary Shares that may be repurchased.

7. THE ISSUE

The Company is implementing the Issue by way of a Placing, Offer for Subscription and 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 purchased 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 new Ordinary Shares on a non-pre-emptive basis pursuant to the Issue. If approved by Shareholders at the General Meeting, 6 million new Ordinary Shares will be available to be issued to new and existing investors at the Issue Price.

The price at which the Company will issue new Ordinary Shares pursuant to the Issue will be the NAV per Ordinary Share (before deducting any accrued or paid Transaction Costs) on the Calculation Date. The Issue Price will be notified to Shareholders and investors by way of RIS as soon as is practicable after the Calculation Date.

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 Issue is conditional on, *inter alia*, the Minimum Participation Condition. The Minimum Participation Condition requires that the Company receives valid tender requests pursuant to the Tender Offer up to an amount which, excluding any tendered Ordinary Shares purchased pursuant to the Placing, would result in the Company having sufficient distributable reserves to implement the Tender Offer. To the extent that the Company receives valid tender requests which exceed demand for Ordinary Shares by Incoming Shareholders, the Company will repurchase such Ordinary Shares. Any repurchase of Ordinary Shares by the Company must be funded from the Company's distributable reserves in accordance with the Companies Act. If the Company receives valid tender requests which are in excess of the aggregate demand for Ordinary Shares by Incoming Shareholders together with the Company's distributable reserves, then the Company would not be able to implement the Tender Offer in full, the Minimum Participation Condition would not be satisfied, and the Issue and the Tender Offer would lapse.

Further details of the Issue are set out in Part 6 of this Prospectus.

8. NET ASSET VALUE PER ORDINARY SHARE AND VALUATION

The latest published unaudited Net Asset Value per Ordinary Share was 357.06p as at 31 May 2023.

The unaudited Net Asset Value per Ordinary Share is currently calculated in Sterling by the Administrator on a monthly basis. With effect from Completion of the Tender Offer, the unaudited Net Asset Value per Ordinary Share will be calculated in Sterling by the Administrator on a daily basis. Such calculations will be made in accordance with the Company's accounting policies adopted from time to time. Such calculations will be published daily, on a cum-income basis, through a Regulatory Information Service.

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

Investments are classified at fair value through profit or loss on initial recognition in accordance with IFRS 9. Investments are measured initially, and at subsequent reporting dates, at fair value, and derecognised at trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe of the relevant market. For quoted investments (which will comprise the majority of the Company's investments) this is deemed to be bid market prices or closing prices. The holdings of the investment in Subsidiaries are calculated at cost less diminution in value.

If the Directors consider that any of the above bases of valuation are inappropriate in any particular case, or generally, they may adopt such other valuation procedures as they consider reasonable in the circumstances.

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, global, 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 activities 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.

9. MEETINGS, REPORTS AND ACCOUNTS

The Company typically holds its annual general meeting in October of each year. The annual report and accounts of the Company are made up to 30 June in each year with copies expected to be sent to Shareholders within the following four months. The Company also publishes unaudited half-yearly reports to 31 December each year with the document expected to be published within the following three months. Periodic reporting of information relating to liquidity and leverage will be made in the annual report and accounts.

The Company's financial statements are prepared in accordance with UK adopted international accounting standards and in accordance with the requirements of the Companies Act.

10. THE TAKEOVER CODE

The Takeover Code applies to the Company.

Given the existence of the buyback powers described in paragraph 6 above, there are certain considerations that Shareholders should be aware of with regard to the Takeover Code.

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

Under Rule 37 of the Takeover Code when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code. A Shareholder who is neither a Director nor acting in concert with a Director will not normally incur an obligation to make an offer under Rule 9 of the Takeover Code in these circumstances.

However, under note 2 to Rule 37 of the Takeover Code where a Shareholder has acquired shares at a time when he had reason to believe that a purchase by the Company of its own voting shares would take place, then an obligation to make a mandatory bid under Rule 9 of the Takeover Code may arise.

The buyback powers could have implications under Rule 9 of the Takeover Code for Shareholders with significant shareholdings. The buyback powers should enable the Company to anticipate the possibility of such a situation arising. Prior to the Board implementing any share buyback the Board will seek to identify any Shareholders who they are aware may be deemed to be acting in concert under note 1 of Rule 37 of the Takeover Code and will seek an appropriate waiver in accordance with note 3 of Rule 37. However, neither the Company, nor any of the Directors, nor the Proposed Manager will incur any liability to any Shareholder(s) if they fail to identify the possibility of a mandatory offer arising or, if having identified such a possibility, they fail to notify the relevant Shareholder(s) or if the relevant Shareholder(s) fail(s) to take appropriate action.

11. TAXATION

Shareholders and potential investors are referred to Part 9 of this Prospectus which contains a general summary of certain UK tax considerations relating to the acquisition, holding and disposal of Ordinary Shares. That summary, which is based on current UK law and the current published practice of HMRC, does not constitute tax advice. All Shareholders and potential investors are advised to seek their own independent tax advice in relation to any investment in the Company.

12. RISK FACTORS

The Company's activities are dependent on many factors and potential investors should read the whole of this Prospectus and in particular the section entitled "Risk Factors" on pages 10 to 17.

PART 2

INVESTMENT PROPOSITION

The information in this Part 2 sets out the Proposed Manager's intended approach assuming that the Proposals are approved by Shareholders.

1. INVESTMENT APPROACH AND STRATEGY

The Company's objective will be to outperform the UK equity market by investing in companies with higher-than-average earnings growth that are listed outside the FTSE 100 index on either of the Main Market, AQSE or traded on AIM, to capture the smaller companies' outperformance effect. The Proposed Manager believes the investment trust structure of the Company lends itself to investing in smaller, more illiquid growth stocks, as the closed-end structure removes the potential scenario where the Company needs to sell holdings at the wrong time to meet redemptions.

The Company will principally invest (approximately 75 per cent. of its funds) in shares of companies which are listed on the Main Market or AQSE or traded on AIM, with market capitalisations of less than £250 million. The Company will also invest (approximately 25 per cent. of its funds) in some UK listed companies with larger market capitalisations, for liquidity purposes.

In order to generate long-term capital growth, the Company intends to pursue an investment strategy of investing in cash-generative UK Small and Mid-Cap quoted companies that are expected to grow faster than the UK stock market as a whole over the long term and which can finance their own organic growth.

This strategy has been successfully deployed by the MI Chelverton UK Equity Growth Fund, which has returned 222.1 per cent. since launch in October 2014 (*Source: Morningstar, NAV to NAV, B Shares Acc, Total Return to 28.02.2023*).

2. INVESTMENT PROCESS, INVESTMENT SCREENING, PROJECT EVALUATION AND SELL DISCIPLINE

The Proposed Manager intends to use a three-stage screening process to identify investable candidates. Firstly, it will filter all companies outside the FTSE 100 on AIM, the AQSE and the Main Market through a quantitative screening process to identify the financial characteristics it is looking for:

- adjusted net income to free cash flow of at least 70 per cent.;
- revenue growth of at least 25 per cent.;
- net debt to EBITDA less than 2x;
- gross margin greater 20 per cent.; and
- working capital intensity less than 30 per cent.

Each company must meet at least 4 out of 5 criteria, but always meet the cash flow requirement.

Having identified companies with the right financial characteristics, the Proposed Manager intends to undertake qualitative due diligence, meeting with prospective company management to understand the company's business model, its predictability of sales and sustainability of margins.

Prospective companies that make it through this screening process will join the Company's "Investable Universe", comprising shares the Proposed Manager would consider, with inclusion in the Portfolio depending on valuation relative to each company's growth rate, margins, and sales visibility. The screening process and investment decisions will be taken by the Proposed Manager's fund managers.

The Portfolio will be monitored by ongoing reference to the Proposed Manager's financial screen, through regular meetings with the Company's portfolio companies' management teams, at least twice a year for investee companies and once for selected companies in the Proposed Manager's "Investable Universe". These meetings will ensure that the Company and Proposed Manager have up to date information on prospective companies and can recognise if an attractive entry point presents itself. The Proposed Manager will also have regular dialogue with brokers, monitoring their research with respect to the Proposed Manager's "Investable Universe" and new prospective companies that may be eligible to join it, as well as monitoring other relevant information on investee companies' end markets and macro-economic developments, which may have a bearing on their outlook.

The Proposed Manager's sell discipline is driven by any detrimental change in a company's fundamentals, most notably an unexplained deterioration in cash conversion, an unforeseen decline in sales suggesting that a company's business has run into structural challenges or a deterioration in margin, suggesting that a business lacks the competitive advantages originally assumed. The Proposed Manager will also seek to add incremental performance by actively trading individual holdings on valuation grounds, topping up existing holdings and adding new names from its screened "Investable Universe", which it feels look undervalued relative to their prospects, and reducing positions on any perceived overvaluations, often on the back of outperformance, and exiting positions entirely when, in the Proposed Manager's view, their valuations can no longer be justified. This strategy of seeking to maximise returns from the Company's "Investable Universe" has been successfully deployed by the Proposed Manager, whilst running the Chelverton UK Equity Growth Fund.

ESG

The Proposed Manager integrates consideration of material ESG issues into the investment process at the qualitative screening stage. This includes engaging with the management team to understand ESG management priorities. Once a company enters the Portfolio, the Proposed Manager will request transparency in relation to ESG metrics and targets, and offer support in the development of ESG management capabilities where appropriate. The Proposed Manager is a signatory to the UN Principles of Responsible Investment (the "UN PRI") and active engagement and voting form a central part of the investment approach. A dedicated Head of Responsible Investment and Corporate Governance Manager work alongside the Chelverton Investment Team, offering ESG research insight and engagement and voting support where appropriate.

Transaction execution

The Proposed Manager's fund team will undertake transactions with brokers that have been approved and vetted by its compliance function. Broker selection for an individual trade will be based on a number of factors, primarily price and liquidity, with the latter of particular importance given the smaller-cap nature of the Company's investment strategy. Broker performance will be monitored in line with the Proposed Manager's existing order execution policy, and the approved broker list will be reviewed at least annually to ensure it remains appropriate.

Portfolio monitoring and reporting

The Proposed Manager will produce a monthly factsheet, comprised of management commentary on monthly activity, the performance against the benchmark, the top 20 holdings and the sectoral and market capitalisation composition of the Portfolio. Furthermore, the Proposed Manager will write a biannual commentary as part of the interim and final report and accounts for the Company.

3. THE PROPOSED MANAGER

Conditional on Completion of the Tender Offer, the Company has appointed Chelverton Asset Management Limited to provide portfolio advice and day-to-day portfolio management services, including the origination and evaluation of investment opportunities and the execution of transactions.

Further information on the Proposed Manager is included in paragraph 2 of Part 3 (*Directors, Management and Administration*) of this Prospectus.

Past performance of the Proposed Manager

As at the Latest Practicable Date, the Proposed Manager had total funds under management of approximately £1.53 billion, including two investment trusts and three OEICs.

The MI Chelverton UK Equity Growth Fund (an open-ended fund) has a similar investment policy to the Company's proposed investment policy. MI Chelverton UK Equity Growth Fund looks to achieve long-term capital growth by investing primarily in a portfolio of UK Small and Mid-Cap Companies listed on the Main Market and AIM.

The chart on the following page shows the cumulative performance record of the MI Chelverton UK Equity Growth Fund relative to Numis Smaller Companies Plus AIM Ex Investment Trusts (which covers all stocks making up the smallest 10 per cent. by value of the UK fully listed equity market excluding investment trusts) and the IA UK All Companies sector (being funds which invest at least 80 per cent. of their assets in UK equities with the primary objective of achieving capital growth).

Performance Since Launch (%)



The following table shows the investment performance record of the MI Chelverton UK Equity Growth Fund NAV total return data relative to IA UK All Companies funds (being funds which invest at least 80 per cent. of their assets in UK equities with the primary objective of achieving capital growth) and the Numis Smaller Companies Plus AIM Ex Investment Trusts (which covers all stocks making up the smallest 10 per cent. by value of the UK fully listed equity market excluding investment trusts).

	1 year	3 years	5 years	Since launch %
Chelverton UK Equity Growth Fund	-8.0%	31.9%	49.5%	222.1%
Numis Smaller Companies plus AIM ex Inv Trust	-7.5%	17.2%	12.0%	65.3%
IA Sector - UK All Companies	3.1%	19.8%	19.7%	64.6%
Sector ranking	203/222	34/214	7/204	1/183
Quartile	4	1	1	1

Source: Morningstar, NAV Total Return from launch date (20 October 2014) to 28 February 2023.

PART 3

DIRECTORS, MANAGEMENT AND ADMINISTRATION

1. DIRECTORS

The Directors are responsible for the determination of the Company's investment policy 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 Company has registered as a small registered AIFM and is self-managed for the purposes of the UK AIFMD. All of the Directors are non-executive and, save for the Proposed Director, are independent of the Proposed Manager. The Directors meet at least four times per annum.

The Directors are as follows:

Ian Dighé, Non-Executive Chairman

Ian was appointed to the Board on 6 July 2018. He has significant listed company experience, particularly in the investment banking, corporate broking, asset management and closed-end funds sectors. He was a co-founder of Bridgewell Group plc and was Chairman of Miton Group plc from February 2011, overseeing the successful refinancing and subsequent growth of the group. He retired from the Miton board in December 2017. He is an independent director of Edelweiss Holdings plc, and a director of a number of private companies and charities.

Timothy Metcalfe, Non-Executive Director

Tim was appointed to the Board on 6 July 2018. He is an experienced corporate financier, having spent over 20 years working at Robert Fleming & Co., N M Rothschild, Westhouse Securities, and Northland Capital Partners and was Joint CEO of Zeus Capital, prior to being the co-founder, in 2015, of IFC Advisory, an investor relations and financial PR adviser to small and mid-cap companies.

Martin Perrin, Non-Executive Director

Martin was appointed to the Board in June 2013. He is a non-executive director of Fiske plc. He is a Chartered Accountant and Chartered Fellow of the Securities Institute and has wide international experience of operations and finance in both regulated financial services firms and in technology companies in industry.

Michael Weeks, Non-Executive Director

Michael was appointed to the Board on 4 November 2020. He is a member of the executive committee of Edelweiss Holdings plc, where he has been part of the investment team since 2011. He is a CFA charterholder and holds degrees in chemical engineering and philosophy.

It is proposed that Michael Weeks will resign from the Board with effect from Completion of the Tender Offer.

David Horner, Proposed Director

David founded Chelverton and has 30 years' experience specialising in UK small to mid-cap quoted investments and SME unquoted investments. He qualified as a chartered accountant in 1985 and has previously held senior positions in Deloitte, 3i Corporate Finance and Strand Partners Limited, with numerous public and private company directorships. David manages both Chelverton UK Dividend Trust plc and Chelverton Growth Trust plc and has also co-managed MI Chelverton UK Equity Income Fund since its launch.

Conditional on, and with effect from, Completion of the Tender Offer, David will be appointed to the Board as a non-independent non-executive director.

2. THE PROPOSED MANAGER

Conditional on Completion of the Tender Offer, the Company has appointed Chelverton Asset Management Limited to provide portfolio advice and day-to-day portfolio management services, including the origination and evaluation of investment opportunities and the execution of transactions. The Proposed Manager was incorporated in England and Wales with company number 03429348 on 4 September 1997 and its registered office is 11 Laura Place, Bath, England, BA2 4BL. The Proposed Manager's LEI is 2138009D5LO4NW85DK68.

Certain of the employees of the Proposed Manager intend to purchase or subscribe, pursuant to the Issue, for Ordinary Shares up to an amount equal to £1,489,500.

2.1 Chelverton Investment Team

Chelverton commenced trading in 1998. Chelverton is largely owned by its employees. Chelverton is a specialist fund manager, focused on UK Small and Mid-Cap Companies, and has a successful track record. As at the Latest Practicable Date, Chelverton had total funds under management of approximately £1.53 billion, including two investment trusts and three OEICs.

Chelverton is authorised and regulated by the FCA.

Biographies of the key personnel of the Proposed Manager expected to be involved in the provision of services to the Company are as follows:

James Baker (Lead Fund Manager)

James has over 30 years of equity market experience on both buy and sell sides, specialising in UK Small and Mid-Cap stock selection. He has run the MI Chelverton UK Equity Growth Fund since its inception in 2014. Having graduated from Cambridge University, he worked for several organisations over the years, most notably spending 12 years as part of the top-ranked ABN Amro, Small and Mid-cap Equity sales team before working as the assistant fund manager on the Rathbone UK Recovery Fund.

Edward Booth (Fund Manager)

Edward joined Chelverton Equity Growth Team in 2016 and has managed the MI Chelverton UK Equity Growth Fund since then. He graduated in Economics and Economic History from the London School of Economics then qualified as a Chartered Account with Deloitte having before working as a Business Analyst for Barclays, focusing on a number of areas including Investment Bank Revenue and Group Capital performance.

Henry Botting (Fund Manager)

Henry joined Chelverton Asset Management in August 2021. Prior to joining, Henry worked on the Equity Sales team at finnCap, where he specialised in UK small and micro-cap companies. He has a degree in Economic and Social History from the University of Edinburgh and prior investment management experience at Rathbones and OLIM. Henry is a CFA Charterholder.

Gregor Macdonald (Corporate Governance Manager)

Gregor has over 27 years' experience in the UK Smaller Companies sector starting with Standard Life Investments in 1987, where his time was split 50/50 between Quoted UK Smaller companies and Private Equity investment. Gregor was Head of Pan European Smaller Companies at SWIP (Scottish Widows Investment Partnership) between 2002 and 2014 where he was a AAA Citywire fund manager. As Corporate Governance Manager, Gregor brings a wealth of experience to his role at Chelverton Asset Management, seeking greater shareholder engagement with investee companies. Gregor does not make investment decisions in his role as Corporate Governance Manager.

Sally Clifton (Head of Responsible Investing)

Sally has over 20 years' experience working in and around asset management. Trained as an equity analyst, she has worked for a number of institutions in analytical and fund management roles, progressively integrating ESG perspectives. Sally spent 7 years at NPI (5 years leading the UK Equity Investment team) before taking a career break, during which she studied sustainability as a key component of an MBA and worked as a business advisor to early-stage disruptive technology ventures and those adopting circular economy principles. Returning to asset management as Head of Responsible Investing for Quilter Investors, Sally now brings significant experience across this broad landscape to Chelverton Asset Management. Sally does not make investment decisions in her role as Responsible Investing Manager.

Details of the fees and expenses payable to the Proposed Manager are set out in the section headed "*Fees and expenses*" below.

3. ADMINISTRATION OF THE COMPANY

The Administrator provides general fund administration services (including calculation of the NAV which will be based on the data provided by the Proposed Manager), bookkeeping and accounts preparation.

4. FEES AND EXPENSES

Costs of the Proposals

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.

Ongoing annual expenses

The Company's ongoing annual expenses include the following:

(i) ***Proposed Manager***

For the provision of investment management services under the Investment Management Agreement, the Proposed Manager is entitled to receive an annual fee to be calculated at 0.75 per cent. of Net Asset Value (exclusive of VAT) (the "**Management Fee**"). To the extent that the Annualised Ongoing Charges exceed two (2) per cent. of the Net Asset Value, the Proposed Manager has waived the Management Fee and shall instead make a contribution to the Company to ensure that the Annualised Ongoing Charges do not exceed two (2) per cent. of the Net Asset Value. The Proposed Manager is also entitled to reimbursement of all reasonable expenses incurred by it in the performance of its duties.

(ii) ***Registrar***

Under the terms of the Registrar Agreement, the Registrar is entitled to a fee calculated on the number of Shareholders and the number of transfers processed subject to a minimum annual fee of £8,000 (exclusive of VAT). There are provisions for this fee to be reviewed periodically. The Registrar is also entitled to reimbursement of all out-of-pocket expenses and charges properly incurred on behalf of the Company.

(iii) ***Administrator and Company Secretary***

Under the terms of the Administration and Company Secretarial Agreement, the Administrator is entitled to an annual fee of £85,000.

(iv) ***Custodian***

Under the terms of the Custody Agreement, the Custodian is entitled to an annual fee of 0.05 per cent. of the Group's total assets.

(v) ***Directors***

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. The Articles limit the aggregate amount of fees paid to the Directors in any financial year to £250,000.

Each of the Directors is currently entitled to a fee of £20,000 per annum. The Directors' fees will not change following completion of the Proposals but are expected to increase towards market standard rates as the size of the Company increases, provided that such increases do not materially impact the Company's ongoing charges figure. The Proposed Director has waived his entitlement to any annual fees in connection with his performance of services as a Director.

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.

(vi) ***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 Proposed Manager, the Administrator, the Registrar, the Custodian and the Directors relating to the Company will be borne by the Company.

5. CONFLICTS OF INTEREST

The Proposed Manager, the Administrator and the Registrar and any of their members, directors, officers, employees, agents and connected persons and the Directors and any person or company with whom they are affiliated or by whom they are employed may be involved in other financial, investment or other professional activities which may cause potential conflicts of interest with the Company and its investments and which may affect the amount of time allocated by such persons to the Company's business.

In particular, these parties may, without limitation: provide services similar to those provided to the Company to other entities; buy, sell or deal with assets on their own account (including dealings with the Company); and/or take on engagements for profit to provide services including but not limited to origination, development, financial advice, transaction execution, asset and special purpose vehicle management with respect to assets that are or may be owned directly or indirectly by the Company, but will not in any such circumstances be liable to account for any profit earned from any such services.

The Proposed Manager and its affiliates may also be involved with other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company. In particular, the Proposed Manager manages other funds that may, in some respects, have similar objectives to that of the Company. Under the Proposed Manager's trade allocation policy when orders for the various funds managed by the Proposed Manager are aggregated for execution or where there is limited supply of an issue to allocate amongst such funds and the allocation is less than the amount requested, the Proposed Manager's policy is to ensure that the smaller funds are not in any way disadvantaged and that the larger funds do not receive small positions void of economic sense. Shares are allocated across all funds on a weighted pro-rata basis at average price. The Proposed Manager acts to ensure that trade allocations are timely; that no trade allocation is accomplished to unfairly advantage one client over another; and that over time client accounts are treated equitably, even though specific allocations may have the effect of benefitting one client against another when viewed in isolation.

At all times the Proposed Manager shall retain sufficient facilities, personnel, experience and expertise necessary to fulfil its obligations under the Investment Management Agreement. The Proposed Manager will, at all times, have regard to its obligations to the Company in relation to the identification, management and disclosure of conflicts of interest.

The Proposed Manager has a conflicts of interest policy which specifies the procedures that it follows and the measures that it has adopted in order to take all appropriate steps to identify and then prevent or manage such conflicts. However, there can be no assurance that the Proposed Manager will be able to resolve conflicts of interest in a manner that is favourable to the Company. However, in the event of a conflict of interest arising, the Proposed Manager will take reasonable steps to ensure fair treatment for the Company.

In particular, where the Proposed Manager has identified an actual or potential conflict of interest in relation to the services that it provides to the Company, it shall take reasonable steps, acting in compliance with applicable law and regulation, to ensure fair treatment of the Company and that transactions effected by it or by 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.

Where the Proposed Manager believes the arrangements are not sufficient to ensure with reasonable confidence that the risks of damage to the Company will be prevented, it will inform the Directors of the nature or source of the conflict and the steps taken to mitigate those risks. This disclosure shall:

- (a) clearly state that the organisational and administrative arrangements established by the Proposed Manager to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the Company will be prevented;
- (b) include specific description of the conflicts of interest that arise;
- (c) explain the risks that arise as a result of the conflicts of interest; and

- (d) include sufficient detail, taking into account the nature of the Company, to enable the Company to reach an informed decision with respect to the service in the context of which the conflict of interest arises.

Subject to this, and to applicable law and regulation, the Proposed Manager or an associate or their clients may act as principal in a transaction with the Company.

The Proposed Manager will not, and will procure that its affiliates and any other funds managed by it will not, deal, as principal or agent for a third party, with the Company except where dealings are carried out on normal commercial terms negotiated at an arm's length basis. Further, the Proposed Manager, any of its affiliates and any other funds managed by it may buy, hold and deal in any investments upon its individual account notwithstanding that similar investments may be held by the Company and without prior reference to the Company. The Proposed Manager, its affiliates and any other funds managed by it may, without prior reference to the Directors, contract with or enter into any financial or other transaction with any company or body or other person whose shares or securities are held by or for the account of the Company or who may be interested in any such contract or transaction.

The Company's valuation policy is structured to provide adequate controls and avoid conflicts of interest. The Proposed Manager's entitlement to the Management Fee is based, in part, on the value of the Company's investments. Given that the Company intends to invest in equity securities of companies with shares admitted to listing on the Main Market, the AQSE or to trading on AIM and such valuations will be prepared by the Administrator, the Company does not consider that any conflict of interest will arise in relation to the valuation of the Company's portfolio. Where the Company holds unquoted investments (for example, as a result of a company's shares being delisted after their acquisition by the Company) the valuation may be based on information provided by the Proposed Manager and there is the possibility that a conflict of interest may arise. In order to manage such conflict, valuations of unquoted equity securities are reviewed by the Audit Committee and the Board, as well as by the Auditor on an annual basis as part of the audit of the Company's annual report and accounts.

6. CORPORATE GOVERNANCE

The Board of the Company has considered the principles and provisions of the AIC Code. The AIC Code addresses the principles and provisions 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 provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to Shareholders. The terms of the Financial Reporting Council's endorsement mean that AIC members who report against the AIC Code meet fully their obligations under the UK Corporate Governance Code and the related disclosure requirements contained in the Listing Rules.

The Company intends to continue to comply with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to: the role of the chief executive; executive directors' remuneration; and the need for an internal audit function. The Board considers these provisions are not relevant to the position of the Company, being an investment company with a non-executive Board and which, on the appointment of the Proposed Manager, will be externally-managed.

The Company's Audit Committee is chaired by Martin Perrin and consists of all the Directors. The Board considers that the members of the Audit Committee have the requisite skills and experience to fulfil the responsibilities of the Audit Committee. In particular, Mr Perrin FCA, is a chartered accountant with a wide experience of operations and finance in industry. The Audit Committee examines the effectiveness of the Company's risk management and internal control systems. It reviews the half-yearly and annual reports and will also receive information from the Proposed Manager. In addition, it reviews the scope, results, cost effectiveness, independence and objectivity of the external auditor.

Given the size of the Board, it is not felt appropriate to have a separate management engagement, nomination or remuneration committee.

When recruiting a new Director, the Board's policy is to appoint individuals on merit matched against the skill requirements identified by the Board. The Board believes diversity is important in bringing an appropriate range of skills, knowledge and experience to the Board and gives that consideration when recruiting new Directors and has also noted the Parker Report on increasing the diversity on boards of

public companies. As at the date of this Prospectus, there were four male Directors on the Board. Following the proposed resignation of Michael Weeks and the proposed appointment of David Horner with effect from Completion of the Tender Offer, this will remain unchanged. When making appointments in the future the Board will continue to operate an open-minded approach to recruitment without restrictions against any perceived group or individual.

PART 4

THE GROUP'S PORTFOLIO

A description of the Group's unaudited portfolio is set out below. If the Proposals are approved by Shareholders, subject to satisfaction of the conditions necessary for the Company to maintain its approval as an investment trust, the Company intends to realise its investments (which comprise listed securities) for cash and near-cash assets as soon as is practicable and, with effect from Completion of the Tender Offer, will invest its assets in accordance with the new investment objective and policy.

As at 31 May 2023, being the most recent published NAV at the Latest Practicable Date:

Security	Country	Holding	Fair Value £
Hal Trust	Netherlands	12,769	1,357,749
Imperial Oil	Canada	20,000	731,526
Cembre	Italy	26,000	715,761
Lucas Bols	Netherlands	75,000	651,671
Emmi	Switzerland	700	572,210
Agnico Eagle Mines	Canada	13,000	532,628
Barrick Gold	Canada	35,000	476,681
Tonnellerie François Frères Group	France	13,125	444,877
Nedap	Netherlands	9,000	436,682
Bucher Industries	Switzerland	1,200	403,390
Bakkafrost	Faroe Islands	5,000	262,845
Total equity participations			<u>6,586,020</u>
Invesco Physical Gold ETC	UK	10,000	1,536,710
WisdomTree Physical Swiss Gold ETC	Switzerland	2,500	382,101
WisdomTree Physical Gold ETC	UK	8,000	1,195,611
Total gold			<u>3,114,422</u>
Total cash			<u>7,333,935</u>
Total portfolio			<u>17,034,377</u>

There have been no material changes to the above portfolio as at the date of this document.

PART 5

FINANCIAL INFORMATION

1. HISTORICAL FINANCIAL INFORMATION INCORPORATED BY REFERENCE

The 2022 Report and Accounts and the 2023 Half-Year Report, which have been incorporated into this document by reference and which are available online at <https://theinvestmentcompanyplc.co.uk> included, on the pages specified in the table below, the following information:

Nature of information	2022 Report and Accounts (page no(s))
Directors and Advisers	1
Strategic Report	2-10
Directors' Report	11-21
Audit Committee Report	22-23
Directors' Remuneration Report	24-26
Statement of Directors' Responsibilities	27
Independent Auditors' Report to the Members	28-34
Consolidated Income Statement	35
Consolidated Statement of Changes in Equity	36
Company Statement of Changes in Equity	37
Consolidated Balance Sheet	38
Company Balance Sheet	39
Consolidated and Company Cash Flow Statements	40
Notes to the Financial Statements	41-56

Nature of information	2023 Half-Year Report (page no(s))
Directors and Advisers	1
Summary of Results	2
Investment Objective	2
Investment Policy	2
Chairman's Statement	3-4
Portfolio Summary	5
Portfolio and Assets	6
Interim Management Report and Directors' Responsibility Statement	7
Condensed Consolidated Income Statement	8
Condensed Consolidated Statement of Changes in Equity	9
Condensed Consolidated Balance Sheet	10
Condensed Consolidated Cash Flow Statement	11
Condensed Notes to the Financial Statements	12-14

The 2022 Report and Accounts and the 2023 Half-Year Report were prepared in accordance with UK adopted international accounting standards and in accordance with the requirements of the Companies Act. The 2022 Report and Accounts were audited by PKF Littlejohn LLP, whose report was unqualified. Save for the 2022 Report and Accounts, no other audited information is included in this document.

Those parts of the 2022 Report and Accounts and the 2023 Half-Year Report which are not being incorporated into this document by reference are either not relevant for investors or are covered elsewhere in this document.

2. SIGNIFICANT CHANGE

There has been no significant change in the financial position of the Group since 31 December 2022, being the end of the last financial period for which interim financial information of the Company has been published.

3. CAPITALISATION AND INDEBTEDNESS

The following table, sourced from the Company's internal accounting records, shows the Group's unaudited indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) and the Group's capitalisation as at 30 April 2023.

Capitalisation

	30 April 2023 (unaudited) £000
Total Current Debt	
Guaranteed	–
Secured	–
Unguaranteed/Unsecured	–
Total Non-Current Debt	–
Guaranteed	–
Secured	–
Unguaranteed/Unsecured	–

Shareholders' Equity

	(unaudited) £000
Share capital:	2,386
Legal reserves (Share premium and special reserve)	4,454
Other reserves (excluding retained earnings)	2,409

There has been no material change in the capitalisation of the Group since 30 April 2023.

Indebtedness

The following table shows the Group's unaudited net indebtedness as at 30 April 2023:

	30 April 2023 (unaudited) £000
(A) Cash	2,110
(B) Cash equivalents	–
(C) Other current financial assets	–
(D) Liquidity (A+B+C)	2,110
(E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	–
(F) Current portion of non-current financial debt	–
(G) Current financial indebtedness (E+F)	–
(H) Net current financial indebtedness (G-D)	(2,110)
(I) Non-current financial debt (excluding current portion and debt instruments)	–
(J) Debt instruments	–
(K) Non-current trade and other payables	–
(L) Non-current financial indebtedness (I+J+K)	–
(M) Total financial indebtedness (H+L)	(2,110)

As at 30 April 2023, the Group had no indirect or contingent indebtedness.

There has been no material change in the indebtedness of the Group since 30 April 2023.

PART 6

THE ISSUE AND THE TENDER OFFER

1. INTRODUCTION

The Company is implementing the Issue by way of 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 from SCM Securities 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 6,000,000 Ordinary Shares on a non-pre-emptive basis pursuant to the Issue. If approved by Shareholders at the General Meeting, 6,000,000 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.

2. CALCULATION OF THE ISSUE PRICE AND THE TENDER PRICE

Overview

Neither the Issue Price nor the Tender Price is known at the date of this document but will be calculated based on a formula once the results of the Issue and the Tender Offer are known.

The price at which the Company will issue new Ordinary Shares pursuant to the Issue will be calculated by reference to the NAV per Ordinary Share (before deducting any accrued or paid Transaction Costs) on the Calculation Date.

The price at which Qualifying Shareholders may tender their Ordinary Shares pursuant to the Tender Offer will be calculated based on the Post-Completion NAV. The Post-Completion NAV will be calculated using the NAV on the Calculation Date, adjusted by adding: (i) the proceeds of new Ordinary Shares issued pursuant to the Placing, Offer for Subscription and Intermediaries Offer; less (ii) any payment made by the Company to repurchase Ordinary Shares pursuant to the Tender Offer; and less (iii) the Transaction Costs. The Tender Price will be equal to the Post-Completion NAV divided by the number of Ordinary Shares in issue following Completion of the Tender Offer and the Issue.

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. The Tender Price and the Issue Price will be announced by the Company via an RIS as soon as is practicable after the Calculation Date and such announcement is expected to be made on or around 19 July 2023.

Participants in the Placing may first be allocated existing Ordinary Shares from supply created by Tendering Shareholders pursuant to the Matched Bargain Facility. New Ordinary Shares will be issued pursuant to the Offer for Subscription and Intermediaries Offer and, to the extent that the Company receives commitments under the Placing that exceed the number of Ordinary Shares validly tendered pursuant to the Tender Offer, to investors pursuant to the Placing. If the number of Ordinary Shares validly tendered exceeds demand created by the Placing, the Company will buy back such Ordinary Shares at the Tender Price and either cancel them or hold them in treasury for reissue into the market at the Board's discretion, should the Ordinary Share trade at a premium to Net Asset Value in the future.

The Issue Price

The price at which Incoming Shareholders may purchase Ordinary Shares (either pursuant to the Placing (including the Matched Bargain Facility), the Offer for Subscription or the Intermediaries Offer) will be equal to the NAV per Ordinary Share on the Calculation Date (the “Issue Price”) calculated as set out below:

$$\frac{(\text{NAV at Calculation Date})}{(\text{issued Ordinary Share capital at Calculation Date})} = \text{Issue Price}$$

As at the Latest Practicable Date, the Company’s NAV was £17,039,027 of which £7,333,935 was cash and cash equivalents and the Company’s issued Ordinary Share capital was 4,772,049 Ordinary Shares. For illustrative purposes only, if the Calculation Date had been set at the Latest Practicable Date, the Issue Price would have been 357.06 pence per Ordinary Share.²

The Tender Price

The Tender Price will be calculated by dividing the Post-Completion NAV by the Company’s issued Ordinary Share capital at the Calculation Date, adjusted to reflect the number of new Ordinary Shares issued pursuant to the Placing, Offer for Subscription and Intermediaries Offer and the number of Ordinary Shares repurchased by the Company.

The Tender Price will be calculated as set out below:

$$\frac{(\text{NAV at Calculation Date} + \text{receipt of Issue proceeds} - \text{payment of repurchase consideration} - \text{Transaction Costs})}{(\text{Ordinary Share capital at Calculation Date} + \text{new Ordinary Shares} - \text{Ordinary Shares bought back})} = \text{Tender Price}$$

As the Transaction Costs will be allocated between Tendering Shareholders, Remaining Shareholders and Incoming Shareholders based on the relative sizes of the pools of capital represented by such Shareholders as a proportion of the NAV on the Calculation Date, the Tender Price will be dependent upon the gross number of Ordinary Shares validly tendered and the demand for new Ordinary Shares at the Issue Price.

A series of examples is set out below to demonstrate how the Tender Price will be calculated in various scenarios. These examples are for illustrative purposes only and the Company has no assurance as to the number of Ordinary Shares that would be validly tendered or the likely demand for new Ordinary Shares. In addition, the NAV at the Calculation Date may differ materially from the figures set out below.

Example 1

In Example 1, it is assumed that:

- demand for Ordinary Shares pursuant to the Issue equates to £10 million;
- Shareholders holding 70 per cent. of the Ordinary Shares in issue on the Calculation Date validly tender their Ordinary Shares;
- Transaction Costs are £550,000;
- the NAV on the Calculation Date is £17,039,027; and
- the issued Ordinary Share capital on the Calculation Date is 4,772,049 Ordinary Shares.

Based on these assumptions, the Issue Price of 357.06 pence represents a premium of 2.1 per cent. to the Tender Price of 349.80 pence.

Example 2

In Example 2, the demand from Incoming Shareholders has been set at a lower level to illustrate how Transaction Costs would be spread across a smaller pool of capital.

In Example 2, it is assumed that:

- demand for Ordinary Shares pursuant to the Issue equates to £5 million;
- Shareholders holding 50 per cent. of the Ordinary Shares in issue on the Calculation Date validly tender their Ordinary Shares;
- Transaction Costs are £550,000;
- the NAV on the Calculation Date is £17,039,027; and
- the issued Ordinary Share capital on the Calculation Date is 4,772,049 Ordinary Shares.

² Applying the following assumptions: 70 per cent. of existing Shareholders participate in the Tender Offer and demand for Ordinary Shares pursuant to the Issue equates to £10 million. The full calculation is set out under Example 1 below.

Based on these assumptions, the Issue Price of 357.06 pence represents a premium of 2.6 per cent. to the Tender Price of 348.15 pence, reflecting the smaller pool of capital over which the Transaction Costs are spread.

Example 3

In this final example, the demand from Incoming Shareholders has been set at a higher level and the percentage of Ordinary Shares tendered is lower to illustrate how Transaction Costs would be spread across a larger pool of capital.

In Example 3, it is assumed that:

- demand for Ordinary Shares pursuant to the Issue equates to £20 million;
- Shareholders holding 30 per cent. of the Ordinary Shares in issue on the Calculation Date wish to tender their Ordinary Shares;
- Transaction Costs are £550,000;
- the NAV on the Calculation Date is £17,039,027; and
- the issued Ordinary Share capital on the Calculation Date is 4,772,049 Ordinary Shares.

Based on these assumptions, the Issue Price of 357.06 pence represents a narrower premium of 1.5 per cent. to the Tender Price of 351.76 pence, reflecting the wider pool of capital over which the Transaction Costs are spread.

Maximum premium to the Tender Price

The maximum premium of the Issue Price over the Tender Price is approximately 3.3 per cent. (in an illustrative scenario whereby there is no demand from Incoming Shareholders and supply created from Tendering Shareholders is at or below the level of the Company's distributable reserves).

3. THE TENDER OFFER AND THE MATCHED BARGAIN FACILITY

Qualifying Shareholders on the Register on the Tender Offer Record Date may tender some or all of their Ordinary Shares for purchase by SCM Securities. SCM Securities will either arrange for those Ordinary Shares to be sold to Incoming Shareholders pursuant to the Matched Bargain Facility or, to the extent that a greater number of Ordinary Shares is validly tendered than commitments received by the Company to participate in the Placing (described below in paragraph 4 of this Part 6 of the Prospectus), then such excess Ordinary Shares will be repurchased by the Company from SCM Securities at the Tender Price, in accordance with the terms of the Repurchase Agreement. Any Ordinary Shares repurchased by the Company will be cancelled or placed in treasury for reissue into the market, at the Board's discretion, should the Ordinary Shares trade at a premium in future.

The execution of a Tender Form or TTE Instruction by a Qualifying Shareholder shall constitute an offer to sell to SCM Securities pursuant to the Tender Offer such portion of the Shareholder's shareholding as is set out in the Tender Form or TTE Instruction (as appropriate).

If there is sufficient demand from Incoming Shareholders to acquire all of the Ordinary Shares that are the subject of valid tenders, all of the Ordinary Shares so tendered to SCM Securities will be sold by SCM Securities to Incoming Shareholders pursuant to the Matched Bargain Facility.

If there is demand from Incoming Shareholders to acquire some of the Ordinary Shares that are the subject of valid tenders, Shareholders may have some of their Ordinary Shares that are the subject of the valid tenders sold by SCM Securities to Incoming Shareholders with the remainder repurchased by the Company.

All successfully tendered Ordinary Shares will be purchased at the Tender Price, regardless of whether they are to be sold to Incoming Investors or repurchased from SCM Securities by the Company.

The Company has sufficient liquid resources to repurchase all Ordinary Shares validly tendered and, accordingly, subject the Continuation Conditions being met, all validly tendered Ordinary Shares will be accepted in full.

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. Shareholders and prospective investors should refer to Part 9 (UK Taxation) of this Prospectus and seek independent professional tax advice.

4. THE PLACING

SCM Securities has agreed to act as settlement agent in respect of the Placing on the terms and subject to the conditions set out in the Placing and Sponsor Agreement. Details of the Placing and Sponsor Agreement are set out in paragraph 7.1 of Part 10 of this Prospectus.

The terms and conditions which shall apply to any acquisition of Ordinary Shares pursuant to the Placing are set out in Part 7 of this Prospectus. The Placing will close at 11.00 a.m. on 14 July 2023 (or such later date as the Company, the Proposed Manager and Singer Capital Markets may agree). If the Placing is extended, the revised timetable will be notified through a Regulatory Information Service.

Each Placee agrees to be bound by the Articles once the Ordinary Shares, which the Placee has agreed to acquire pursuant to the Placing, have been acquired by the Placee. The contract to acquire the Ordinary Shares under the Placing 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 Proposed Manager, SCM Securities 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.

Commitments under the Placing, once made, may not be withdrawn without the consent of the Directors.

5. THE OFFER FOR SUBSCRIPTION

The Directors are also proposing to offer Ordinary Shares at the Issue Price to investors in the United Kingdom under the Offer for Subscription, subject to the terms and conditions of the Offer for Subscription set out in Part 8 of this Prospectus. These terms and conditions and the Offer for Subscription Application should be read carefully before an application is made. The Offer for Subscription will close at 11.00 a.m. on 14 July 2023. If the Offer for Subscription is extended, the revised timetable will be notified through a Regulatory Information Service.

Applications under the Offer for Subscription must be for Ordinary Shares at the Issue Price. Individual applications must be for a minimum subscription of £1,000 and then in multiples of £100 thereafter, although the Board may accept applications below the minimum amounts stated above in its absolute discretion. The aggregate application price is payable in full on application. Multiple subscriptions under the Offer for Subscription by individual investors will not be accepted.

Applications accompanied by payment via debit card or direct bank transfer or appropriate commitment and settlement by delivery versus payment (“DVP”) instructions in relation to the Offer for Subscription must be input to the application website hosted and managed by the Receiving Agent, <https://theinvestmentcompanyplc.nevilleregistrars.co.uk>, so as to be completed as soon as possible and, in any event, no later than 11.00 a.m. on 14 July 2023. To be classed as complete, an applicant must have completed the Online Application and remitted cleared funds in accordance with the instructions provided both on screen and by email.

For applicants sending subscription monies by debit card, payment must be made at the end of the Online Application when prompted and for value by 11.00 a.m. on 14 July 2023. Should applicants experience any issues, the Receiving Agent may be contacted by phone within normal business hour on 0121 585 1131, or by email via support@nevilleregistrars.co.uk.

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 11.00 a.m. on 14 July 2023, using the instructions and unique reference number provided on screen and via email. Should you experience any issues, the Receiving Agent may be contacted by phone within normal business hours on 0121 585 1131, or by email via support@nevilleregistrars.co.uk. Commitments under the Offer for Subscription, once made, may not be withdrawn without the consent of the Directors.

Please also refer to paragraph 13 of this Part 6 headed “*Admission, clearing and settlement*”.

6. THE INTERMEDIARIES OFFER

Investors may also 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.

No Ordinary Shares allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom. A minimum application of £1,000 per Underlying Applicant will apply. Allocations to Intermediaries will be determined solely by the Company (following consultation with Singer Capital Markets).

An application for Ordinary Shares in the Intermediaries Offer means that the Underlying Applicant agrees to acquire the Ordinary Shares applied for at the Issue Price. Each Underlying Applicant must comply with the appropriate money laundering checks required by the relevant Intermediary and all other laws and regulations applicable to their agreement to subscribe for Ordinary Shares. Where an application is not accepted or there are insufficient Ordinary Shares available to satisfy an application in full, the relevant Intermediary will be obliged to refund the Underlying Applicant as required and all such refunds shall be made without interest. The Company, the Proposed Manager and Singer Capital Markets accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Each Intermediary has agreed, or will on appointment agree, to the Intermediaries Terms and Conditions, which regulate, *inter alia*, the conduct of the Intermediaries Offer on market standard terms and provide for the payment of a commission and/or fee (to the extent permissible by the rules of the FCA) to Intermediaries from the Intermediaries Offer Adviser acting on behalf of the Company if such Intermediary elects to receive a commission and/or fee. Pursuant to the Intermediaries Terms and Conditions, in making an application, each Intermediary will also be required to represent and warrant that they are not located in the United States and are not acting on behalf of anyone located in the United States.

In addition, the Intermediaries may prepare certain materials for distribution or may otherwise provide information or advice to retail investors in the United Kingdom, subject to the terms of the Intermediaries Terms and Conditions. Any such materials, information or advice are solely the responsibility of the relevant Intermediary and will not be reviewed or approved by any of the Company, the Proposed Manager, Singer Capital Markets or the Intermediaries Offer Adviser. Any liability relating to such documents shall be for the relevant Intermediaries only.

The Intermediaries Terms and Conditions provide for the Intermediaries to have an option (where the payment of such commission and/or fee is not prohibited) to be paid a commission and/or fee by the Intermediaries Offer Adviser (acting on behalf of the Company) where it has elected to receive such commission and/or fee in respect of the Ordinary Shares allocated to and paid for by them pursuant to the Intermediaries Offer.

7. CONDITIONS TO THE ISSUE

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).

If the Issue does not proceed, application monies received will be returned to applicants without interest within 14 days at the applicants' risk.

8. SCALING BACK

In the event that commitments under the Issue exceed the maximum number of Ordinary Shares available, applications under the Issue will be scaled back at the discretion of Singer Capital Markets in consultation with the Company.

There will be no priority given to applications under the Placing, applications under the Offer for Subscription or applications under the Intermediaries Offer pursuant to the Issue.

9. COSTS OF THE ISSUE

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.

10. THE PLACING AND SPONSOR AGREEMENT

The Placing and Sponsor Agreement contains provisions entitling Singer Capital Markets to terminate the Issue (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Issue and these arrangements will lapse and any monies received in respect of the Issue will be returned to applicants without interest within 14 days at the applicant's risk.

No commission will be paid by the Company in respect of the Ordinary Shares to be allotted or acquired pursuant to the Issue. Any Ordinary Shares subscribed for by Singer Capital Markets may be retained or dealt in by it for its own benefit.

Further details of the terms of the Placing and Sponsor Agreement are set out in paragraph 7.1 of Part 10 of this Prospectus.

11. GENERAL

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

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

12. DILUTION

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.

13. ADMISSION, CLEARING AND SETTLEMENT

Applications will be made to the Financial Conduct Authority for all of the new 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 new Ordinary Shares to be admitted to trading on the premium segment of the Main Market. It is expected that Admission will become effective and dealings will commence at 8.00 a.m. on 26 July 2023.

The Ordinary Shares will be issued in registered form and may be held in either certificated or uncertificated form. In the case of Ordinary Shares to be issued in uncertificated form pursuant to the Issue, these will be transferred to successful applicants through the CREST system. Dealings in the new Ordinary Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

The Company will arrange for CREST to be instructed to credit the appropriate CREST accounts of the applicants concerned or their nominees with their respective entitlements to the Ordinary Shares. The names of applicants or their nominees that invest through their CREST accounts will be entered directly on to the share register of the Company.

Where applicable, definitive share certificates in respect of the Ordinary Shares are expected to be despatched by post at the risk of recipients to the relevant holders in the week beginning 31 July 2023.

Prior to the despatch of definitive share certificates in respect of any Ordinary Shares which are held in certificated form, transfer of those Ordinary Shares will be certified against the Register. No temporary documents of title will be issued.

The ISIN number of the Ordinary Shares is GB0004658257 and the SEDOL code is 0465825.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Ordinary Shares, nor does it guarantee the price at which a market will be made in the Ordinary Shares. Accordingly, the dealing price of the Ordinary Shares may not necessarily reflect changes in the Net Asset Value per Ordinary Share.

14. REASONS FOR THE ISSUE AND USE OF PROCEEDS

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, the Directors intend to use the net proceeds of the Issue (if any) to acquire investments in accordance with the Company's proposed new investment objective and investment policy. It is expected that the net proceeds of the Issue will be substantially invested within one month of Admission.

15. MATERIAL INTERESTS

There are no interests that are material to the Issue and no conflicting interests.

16. PROFILE OF A TYPICAL INVESTOR

The types of investor for whom the Ordinary Shares are intended are institutional investors, professional investors, private clients through their wealth managers, professionally advised and knowledgeable investors, and knowledgeable non-advised private investors who are capable themselves of evaluating the merits and risks of an investment in the Company and who have sufficient resources both to invest in potentially illiquid securities and to be able to bear any losses (which may equal the whole amount invested) that may result from the investment. Such investors may wish to consult an independent financial adviser prior to investing in the Ordinary Shares. The Ordinary Shares are only intended for investors who are willing to hold their investment for at least 5 years.

17. OVERSEAS PERSONS

Potential investors in any territory other than the United Kingdom should refer to the notices set out in the section entitled "*Important information*" of this Prospectus.

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

PART 7

TERMS AND CONDITIONS OF APPLICATION UNDER THE PLACING

1. INTRODUCTION

- 1.1 Participation in the Placing is only available to persons who are invited to participate by the Company or the Proposed Manager. Singer Capital Markets will be acting as settlement agent and will not be responsible for procuring Placees in connection with the Placing. These terms and conditions apply to persons making an offer to purchase or subscribe for Ordinary Shares under the Placing. The Placee hereby agrees with Singer Capital Markets and the Company to be bound by these terms and conditions as being the terms and conditions upon which the Ordinary Shares will be sold under the Placing. A Placee shall, without limitation, become so bound if Singer Capital Markets confirms on behalf of the Company its allocation of Ordinary Shares under the Placing to such Placee.
- 1.2 Upon being notified of its allocation of Ordinary Shares under the Placing, a Placee shall, subject to the provisions of paragraph 7 of this Part 7, be contractually committed to purchase or subscribe for the number of Ordinary Shares allocated to them at the Issue Price and to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitments. Dealing may not begin before any notification is made.
- 1.3 The Company and/or Singer Capital Markets 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) see(s) fit.
- 1.4 The commitment to purchase or subscribe for Ordinary Shares under the Placing will be agreed orally with Singer Capital Markets as settlement agent for the Company and will be further evidenced in a placing confirmation (“**Placing Confirmation**”).

2. AGREEMENT TO PURCHASE OR SUBSCRIBE FOR ORDINARY SHARES

- 2.1 A Placee agrees to become a member of the Company and agrees to purchase or subscribe for the number of Ordinary Shares set out in the Placing Confirmation at the Issue Price, conditional on:
 - 2.1.1 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 SCM Securities may agree);
 - 2.1.2 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
 - 2.1.3 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).
- 2.2 Subject to the above conditions, a Placee agrees to become a member of the Company and agrees to purchase or subscribe for Ordinary Shares at the Issue Price. The number of Ordinary Shares issued or sold to such Placee under the Placing shall be in accordance with the arrangements described above, subject to the provisions of paragraph 7 of this Part 7 with respect to Ordinary Shares.
- 2.3 If any of the relevant conditions set out in the Placing and Sponsor Agreement is not fulfilled or, where permitted, waived to the extent permitted by law or regulation in accordance with the Placing Agreement, or the Placing and Sponsor Agreement is terminated in accordance with its terms, the Placing will lapse and the Placee’s rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.
- 2.4 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 undertakes to pay the Issue Price for the Ordinary Shares issued to the Placee in the manner and by the time directed by Singer Capital Markets. 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 Singer Capital Markets, 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 Singer Capital Markets elects to accept that Placee's application, Singer Capital Markets may sell all or any of the Ordinary Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for Singer Capital Markets' 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 purchase or subscribe for Ordinary Shares under the Placing, each Placee which enters into a commitment to purchase or subscribe for Ordinary Shares will (for itself and any person(s) procured by it to purchase or subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be deemed to represent, warrant and acknowledge to each of the Company, the Proposed Manager, the Registrar, the Sponsor and SCM Securities, in respect of the Placing, that:

- 4.1 it acknowledges that where it is acquiring or subscribing for Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (a) to purchase or subscribe for the Ordinary Shares for each such account; (b) to make on each such account's behalf the representations, warranties and agreements set out in this Prospectus; and (c) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or Singer Capital Markets, provided that where the Placee is acting in its capacity as a discretionary investment manager on behalf of its underlying clients (who include individuals and/or retail clients), then it is the discretionary investment manager that is to be regarded as the Placee for the purpose of the terms and conditions set out in this Part 7 and not the underlying client and, for the avoidance of doubt, the representations and warranties given are to be taken as made on behalf of the Placee itself and not their underlying client. It agrees that the provision of this paragraph shall survive any resale of the Ordinary Shares by or on behalf of any such account;
- 4.2 in agreeing to purchase or 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 and/or the Placing. It agrees that none of the Company, the Proposed Manager, the Sponsor, SCM Securities 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;
- 4.3 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to purchase or 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 Proposed Manager, the Sponsor, SCM Securities 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;
- 4.4 it has carefully read and understands this Prospectus and any supplementary prospectus issued by the Company in its entirety and understands and acknowledges that it is acquiring Ordinary Shares on the terms and subject to the conditions set out in this Part 7 and in the Placing Confirmation, and the Articles and agrees that in accepting a participation in the Placing it has had access to all information it believes is necessary or appropriate in connection with its decision to purchase or subscribe for the Ordinary Shares;

- 4.5 it has the power and authority to purchase or subscribe for Ordinary Shares under the Placing and to execute and deliver all documents necessary for such subscription;
- 4.6 it has not relied on Singer Capital Markets or any person acting on its behalf nor any of their respective affiliates in connection with any investigation of the accuracy of any information contained in this Prospectus and/or any supplementary prospectus issued by the Company and it has relied on its own investigation with respect to the Ordinary Shares and the Company in connection with its investment decision;
- 4.7 the content of this Prospectus and any supplementary prospectus issued by the Company is exclusively the responsibility of the Company and its Directors (and, to the extent stated in paragraph 13.4 of Part 10 of this Prospectus, the Proposed Manager) and neither Singer Capital Markets nor any person acting on its 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 supplementary prospectus issued by the Company 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, any supplementary prospectus issued by the Company or otherwise;
- 4.8 it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus issued by the Company and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Proposed Manager, the Sponsor or SCM Securities;
- 4.9 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);
- 4.10 it accepts that none of the Ordinary Shares has been or will be registered under the laws of the United States, Canada, Australia, the Republic of South Africa or Japan. Accordingly, the Ordinary Shares may not be sold, issued or delivered, directly or indirectly, into or within the United States, Canada, Australia, the Republic of South Africa or Japan unless an exemption from any registration requirement is available;
- 4.11 if it is within the United Kingdom, it is 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 and/or is 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 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;
- 4.12 if it is a resident in the EEA: (a) it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation; 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;
- 4.13 in the case of any Ordinary Shares acquired by a Placee as a financial intermediary within the EEA as that term is used in Article 5(1) of the EU Prospectus Regulation: (a) 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 EU Prospectus Regulation, or in circumstances in which the prior consent of Singer Capital Markets has been given to the offer or resale; or (b) 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 EU Prospectus Regulation as having been made to such persons;
- 4.14 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;

- 4.15 it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Ordinary Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and acknowledges and agrees that no documents are being issued by Singer Capital Markets in its capacity as an authorised person under section 21 of FSMA and such documents may not therefore be subject to the controls which would apply if they were made or approved as a financial promotion by an authorised person;
- 4.16 it is aware of and acknowledges that it is required to comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Ordinary Shares, in, from or otherwise involving the United Kingdom;
- 4.17 it acknowledges that no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the Ordinary Shares or possession of the Prospectus (and any supplementary prospectus issued by the Company), in any country or jurisdiction where action for that purpose is required;
- 4.18 it: (i) is entitled to purchase or subscribe for the Ordinary Shares under the laws of all relevant jurisdictions; (ii) has fully observed the laws of all relevant jurisdictions; (iii) has the requisite capacity and authority and is entitled to enter into and perform its obligations as a purchaser or subscriber for Ordinary Shares and will honour such obligations; and (iv) has obtained all necessary consents and authorities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;
- 4.19 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 purchase or 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 material could lawfully be provided to it or such person and Ordinary Shares could lawfully be distributed to and acquired or subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 4.20 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 purchase or subscribe for Ordinary Shares under the Placing and will not be any such person on the date any such agreement to purchase or subscribe under the Placing is accepted;
- 4.21 it has complied with and will comply with all applicable provisions of the Criminal Justice Act 1993 and the UK Market Abuse Regulation with respect to anything done by it in relation to the Placing and/or the Ordinary Shares;
- 4.22 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 into the United States or to any US Persons, nor will it do any of the foregoing;
- 4.23 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 7, below;
- 4.24 it acknowledges that neither Singer Capital Markets nor any of its affiliates, nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and participation in the Placing is on the basis that it is not and will not be a client of Singer Capital Markets and that Singer Capital Markets does not have any duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing or in respect of any representations, warranties, undertakings or indemnities otherwise required to be given by it in connection with its application under the Placing;
- 4.25 it acknowledges that, save in the event of fraud on the part of Singer Capital Markets or any person acting on behalf of Singer Capital Markets, neither Singer Capital Markets, its ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of its 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 its role as placing agent or otherwise in connection with the Placing and that where 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;
- 4.26 if it is acting as a “distributor” (for the purposes of the MiFID II Product Governance Requirements):
- 4.26.1 it acknowledges that the Target Market Assessment undertaken by the Proposed Manager and Singer Capital Markets does not constitute: (a) an assessment of suitability or appropriateness for the purposes of UK MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares and each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels;
- 4.26.2 notwithstanding any Target Market Assessment undertaken by the Proposed Manager and Singer Capital Markets, it confirms that it has satisfied itself as to the appropriate knowledge, experience, financial situation, risk tolerance and objectives and needs of the investors to whom it plans to distribute the Ordinary Shares and that it has considered the compatibility of the risk/reward profile of such Ordinary Shares with the end target market;
- 4.26.3 it acknowledges that the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom; and
- 4.26.4 it agrees that if so required by the Proposed Manager or Singer Capital Markets, it shall provide aggregate summary information on sales of the Ordinary Shares as contemplated under rule 3.3.30(R) of the PROD Sourcebook and information on the reviews carried out under rules 3.3.26(R) to 3.3.28(R) of the PROD Sourcebook;
- 4.27 it irrevocably appoints any director of the Company and/or any director of Singer Capital Markets 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;
- 4.28 it accepts that if the Placing does not proceed or the conditions to the Placing and Sponsor Agreement are not satisfied or the Ordinary Shares for which valid applications are received and accepted are not admitted to the Official List and to trading on the Main Market for any reason whatsoever then neither of Singer Capital Markets nor 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;
- 4.29 in connection with its participation in the Placing it has observed all relevant legislation and regulations and it will not infringe any applicable law as a result of its agreement to acquire Ordinary Shares under the Placing;
- 4.30 it acknowledges that Singer Capital Markets and the Company are entitled to exercise any of their rights under the Placing and Sponsor Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- 4.31 the representations, undertakings and warranties contained in this Prospectus are irrevocable. It acknowledges that Singer Capital Markets 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 acquisition or subscription of the Ordinary Shares are no longer accurate, it shall promptly notify Singer Capital Markets and the Company;
- 4.32 where it or any person acting on behalf of it is dealing with Singer Capital Markets, any money held in an account with Singer Capital Markets 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 Singer Capital Markets to segregate such money, as that money will be held by Singer Capital Markets under a banking relationship and not as trustee;
- 4.33 any of its clients, whether or not identified to Singer Capital Markets, will remain its sole responsibility and will not become clients of Singer Capital Markets for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
 - 4.34 it accepts that the allocation of Ordinary Shares shall be determined by the Company in its absolute discretion (in consultation with Singer Capital Markets) and that the Company may scale down any commitments for this purpose on such basis as it may determine;
 - 4.35 the commitment to purchase or subscribe for Ordinary Shares on the terms set out in these terms and conditions will continue notwithstanding any amendment that may in the future be made to the terms of a Placing and that it will have no right to be consulted or require that its consent be obtained with respect to the Company's conduct of a Placing;
 - 4.36 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;
 - 4.37 its commitment to acquire Ordinary Shares will be agreed orally with Singer Capital Markets as settlement agent for the Company and further evidenced in a Placing Confirmation that will be issued by Singer Capital Markets as soon as possible thereafter. That oral confirmation will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and Singer Capital Markets to purchase or subscribe for the number of Ordinary Shares allocated to it at the Issue Price on the terms and conditions set out in this Part 7 and in the Placing Confirmation and in accordance with the Articles. Except with the consent of Singer Capital Markets, such oral commitment will not be capable of variation or revocation after the time at which it is made;
 - 4.38 its allocation of Ordinary Shares under the Placing will be evidenced by the Placing Confirmation confirming: (i) the number of Ordinary Shares that such Placee has agreed to subscribe for; (ii) the aggregate amount that such Placee will be required to pay for such Ordinary Shares; and (iii) settlement instructions to pay Singer Capital Markets as settlement agent for the Company. The terms of this Part 7 will be deemed to be incorporated into that Placing Confirmation; and
 - 4.39 settlement of transactions in the Ordinary Shares following Admission will take place in CREST but Singer Capital Markets reserves the right in its absolute discretion to require settlement in certificated form if, in its opinion, delivery or settlement is not possible or practicable within the CREST system within the timescales previously notified to the Placee (whether orally, in the Placing Confirmation or otherwise) or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

The Company reserves the right to reject all or part of any offer to purchase Ordinary Shares for any reason. The Company also reserves the right to sell fewer than all of the Ordinary Shares offered by this Prospectus or to sell to any purchaser fewer than all of the Ordinary Shares a purchaser has offered to purchase.

5. MONEY LAUNDERING

Each Placee:

- 5.1 represents and warrants that it has complied with and will at all times comply with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations and any other applicable law concerning the prevention of money laundering and, if it is making payment on behalf of a third party, that: (i) satisfactory evidence has been obtained and recorded by it to verify the identity of the third party; and (ii) arrangements have been entered into with the third party to obtain from the third party copies of any identification and verification data immediately on request as required by the Money Laundering Regulations and, in each case, agrees that pending satisfaction of such obligations, definitive certificates (or allocation under the CREST system) in respect of the Ordinary Shares comprising the Placee's allocation may be retained at the discretion of Singer Capital Markets;
- 5.2 acknowledges and agrees that, due to anti-money laundering requirements and the countering of terrorist financing requirements, Singer Capital Markets and/or 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, Singer Capital Markets and/or the Company may refuse to accept the application and the moneys relating thereto. It holds harmless and will indemnify Singer Capital Markets 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 or has not been provided on a timely basis; and

- 5.3 it is aware of, has complied with and will at all times comply with its obligations in connection with the Money Laundering Regulations.

6. DATA PROTECTION

- 6.1 Each Placee acknowledges and agrees that it has been informed that, pursuant to the EU General Data Protection Regulation 2016/679 (“**EU GDPR**”) and/or the EU GDPR as it forms part of the domestic law of the United Kingdom by virtue of the EUWA (“**UK GDPR**”) and the UK Data Protection Act 2018 (as amended from time to time) (together, the “**DP Legislation**”) the Company and/or the Registrar may hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data may be retained on record for a period exceeding six years after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out in the Company’s privacy notice, which is available for review on the Company’s website: <https://theinvestmentcompanyplc.co.uk> (the “**Privacy Notice**”), including for the purposes set out below (collectively, the “**Purposes**”), being to:

- 6.1.1 process the personal data to the extent and in such manner as is necessary for the performance of its obligations under its service contract, including as required by or in connection with the Placee’s holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on the Placee;
- 6.1.2 communicate with the Placee as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
- 6.1.3 comply with the legal and regulatory obligations of the Company and/or the Registrar; and
- 6.1.4 process the personal data for the Registrar’s internal administration.
- 6.2 In order to meet the Purposes, it will be necessary for the Company and the Registrar to provide personal data to:
- 6.2.1 third parties located either within or outside of the United Kingdom (or the EEA, to the extent that the EU GDPR applies in respect of the personal data being shared), if necessary for the Registrar to perform its functions or when it is necessary for its legitimate interests, and in particular in connection with the holding of Ordinary Shares; or
- 6.2.2 its affiliates, the Company (in the case of the Registrar) or the Proposed Manager and their respective associates, some of which may be located outside of the United Kingdom (or the EEA, to the extent that the EU GDPR applies in respect of the personal data being shared).
- 6.3 Any sharing of personal data by the Company or the Registrar with other parties will be carried out in accordance with the DP Legislation and as set out in the Company’s Privacy Notice.
- 6.4 By becoming registered as a holder of Ordinary Shares a person becomes a data subject (as defined in the DP Legislation). In providing the Registrar with information, each Placee hereby represents and warrants to the Registrar that it has (i) notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company’s Privacy Notice and any other data protection notice which has been provided by the Company and/or the Registrar; and (ii) where consent is legally required under applicable DP Legislation, it has obtained the consent of any data subject to the Registrar 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 above in this paragraph 6).
- 6.5 Each Placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Placee is a natural person he or she has read and understood the terms of the Company’s Privacy Notice.

- 6.6 Each Placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Placee is not a natural person it represents and warrants that:
 - 6.6.1 it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the Placee may act or whose personal data will be disclosed to the Company as a result of the Placee agreeing to purchase or subscribe for Ordinary Shares; and
 - 6.6.2 the Placee has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company.
- 6.7 Where the Placee acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising in relation to the Placing:
 - 6.7.1 comply with all applicable data protection legislation;
 - 6.7.2 take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;
 - 6.7.3 if required, agree with the Company and the Registrar, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
 - 6.7.4 it shall immediately on demand, fully indemnify each of the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect loss and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Registrar in connection with any failure by the Placee to comply with the provisions set out above.

7. UNITED STATES PURCHASE AND TRANSFER RESTRICTIONS

- 7.1 Notwithstanding anything else in these terms and conditions, by participating in any 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 Proposed Manager, the Registrar, the Sponsor and SCM Securities that:
 - 7.1.1 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;
 - 7.1.2 it acknowledges that the Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States or to, or for the account or benefit of, US Persons and may not be offered or sold in the United States absent registration or an exemption from registration under the US Securities Act;
 - 7.1.3 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;
 - 7.1.4 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: (a) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (b) a "plan" as defined in Section 4975 of the US Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Code; or (c) 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 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 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;

- 7.1.5 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:

“THE INVESTMENT COMPANY 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.”;

- 7.1.6 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 US Securities Act and under circumstances which will not require the Company to register under the US Investment Company Act;
- 7.1.7 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 US Securities Act, the US Investment Company Act or any other applicable securities laws;
- 7.1.8 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;
- 7.1.9 it acknowledges and understands that the Company is required to comply with UK law and regulation implementing various intergovernmental agreements relating to the automatic exchange of information for international tax compliance (“**Exchange of Information Requirements**”) such as FATCA. It agrees to furnish any information and documents, which the Company may from time to time request for the purpose of compliance with the Exchange of Information Requirements, including but not limited to information required under FATCA, and it further consents to allowing and authorising the Company to disclose and supply any information, forms or documentation to HMRC (who may, if required, in turn pass it on to the tax authorities of any other relevant jurisdiction) and, to the extent relevant it shall procure that the beneficial owner of the Ordinary Shares provides such consent and authorisation to the Company in respect of any such information forms or documents relating to it;
- 7.1.10 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 Proposed Manager, the Registrar, the Sponsor, SCM Securities 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;
- 7.1.11 it has received, carefully read and understands this Prospectus and any supplementary prospectus issued by the Company, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus and/or any supplementary prospectus issued by the Company or any other presentation or offering materials concerning the Ordinary Shares into or within the United States or to any US Persons, nor will it do any of the foregoing; and

7.1.12 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.

7.2 The Company, the Proposed Manager, the Registrar, the Sponsor, SCM Securities 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.

7.3 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 and Singer Capital Markets.

8. SUPPLY AND DISCLOSURE OF INFORMATION

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

9. NON-UNITED KINGDOM INVESTORS

9.1 If the Placee is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with any Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to purchase or 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 acquired or subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements.

9.2 None of the Ordinary Shares has been or will be registered under the laws of the United States, Canada, Australia, the Republic of South Africa or Japan. Accordingly, the Ordinary Shares may not be offered, sold, issued or delivered, directly or indirectly, into or within any of United States, Canada, Australia, the Republic of South Africa or Japan or to any national, resident or citizen of the United States, Canada, Australia, the Republic of South Africa or Japan unless an exemption from any registration requirement is available.

9.3 The Company reserves the right to treat as invalid any application for Ordinary Shares 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.

10. MISCELLANEOUS

10.1 The rights and remedies of the Company, the Proposed Manager, SCM Securities, the Sponsor 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.

10.2 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 any 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.

10.3 Each Placee agrees to be bound by the Articles once the Ordinary Shares, which the Placee has agreed to purchase or subscribe for pursuant to the Placing, have been acquired by the Placee. The contract to purchase or subscribe for Ordinary Shares under any 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 Proposed Manager, SCM Securities, the Sponsor 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.

- 10.4 In the case of a joint agreement to purchase or subscribe for Ordinary Shares under any Placing, references to a “Placee” in these terms and conditions are to each of the Placees who a party to that joint agreement and their liability are joint and several.
- 10.5 Singer Capital Markets and the Company expressly reserve the right to modify any Placing (including, without limitation, the timetable and settlement) at any time before allocations are determined.
- 10.6 The Placing is subject to the satisfaction of the conditions contained in the Placing and Sponsor Agreement and the Placing and Sponsor Agreement not having been terminated. Further details of the terms of the Placing and Sponsor Agreement are contained in paragraph 7.1 of Part 10 of this Prospectus.

PART 8

TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION

1. INTRODUCTION

- 1.1 Ordinary Shares are available under the Offer for Subscription at the Issue Price.
- 1.2 Applications to acquire Ordinary Shares can be made by way of an Online Application at <https://theinvestmentcompanyplc.nevilleregistrars.co.uk>.
- 1.3 Applicants should follow the on-screen instructions in order to complete their Application and submit it, together with their debit card payment or bank transfer, to the Receiving Agent in respect of the full subscription amount of the Ordinary Shares applied for. Alternatively, an Application can be made by submitting an Application Form in accordance with the instructions printed thereon. The Application Form can be downloaded from the Company's website at <https://theinvestmentcompanyplc.co.uk>. Applicants are encouraged wherever possible to apply online.

2. OFFER FOR SUBSCRIPTION TO ACQUIRE ORDINARY SHARES

- 2.1 By completing an Online Application or completing and delivering an Application Form, you, as the applicant, and, if you complete the Online Application or sign the Application Form on behalf of another person or a corporation, that person or corporation:
 - 2.1.1 offer to purchase or subscribe for the amount specified in your Online Application or in Box 1 on your Application Form, or any smaller amount for which such application is accepted, on the terms, and subject to the conditions, set out in this Prospectus, including these terms and conditions of application and the Articles;
 - 2.1.2 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 or on receipt by post or email to the Receiving Agent of your Application Form;
 - 2.1.3 undertake to pay the Issue Price for the Ordinary Shares (in full on application) in respect of which your application is accepted and warrant that the remittance accompanying your Application 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 Singer Capital Markets 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 or sell the Ordinary Shares and may allot or sell them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund 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, without interest);
 - 2.1.4 agree that, where your Application includes a request for Ordinary Shares to be deposited into a CREST account (a) the Receiving Agent may in its absolute discretion amend the Application so that such Ordinary Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in your Application (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 (b) the Receiving Agent, the Company or Singer Capital Markets 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;

- 2.1.5 agree, in respect of applications for Ordinary Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 2.1.4 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 may become entitled (and any monies returnable to you) may be retained by the Receiving Agent:
- (a) pending clearance of your remittance;
 - (b) pending investigation of any suspected breach of the warranties contained in paragraphs 6.1, 6.2, 6.3, 6.8, 6.13, 6.15 or 6.16 below or any other suspected breach of these terms and conditions of application; or
 - (c) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of the Money Laundering Regulations and any other regulations applicable thereto, and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- 2.1.6 agree, on the request of the Receiving Agent, to disclose promptly in writing to it such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which it may consider appropriate;
- 2.1.7 agree that if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent (where required or requested) within a reasonable time (in the opinion of the Receiving Agent) following a request therefor, the Receiving Agent or the Company may terminate the agreement with you to allot or sell Ordinary Shares and, in such case, the Ordinary Shares which would otherwise have been allotted or sold 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;
- 2.1.8 acknowledge that the key information document relating to the Ordinary Shares prepared by the Company pursuant to the UK PRIIPs Regulation can be provided to you in paper or by means of a website, but that where you are applying under the Offer for Subscription directly and not through an adviser or other intermediary, unless requested in writing otherwise, the completion of an Online Application or the lodging of an Application Form (as applicable) represents your consent to being provided the key information document via the Company's website (<https://theinvestmentcompanyplc.co.uk>) or on such other website as has been notified to you. Where your application is made on an advised basis or through another intermediary, the terms of your engagement should address the means by which such key information document will be provided to you;
- 2.1.9 agree that you are not applying on behalf of a person engaged in money laundering;
- 2.1.10 undertake to ensure that, in the case of an Application completed or 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 submitted at the same time as, or is otherwise enclosed with, your Application together with full identity documents for the person so signing;
- 2.1.11 undertake to pay interest as described in paragraph 3.3 below if the remittance accompanying your Application is not honoured on first presentation;
- 2.1.12 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, subject to paragraph 2.1.4 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;

2.1.13 confirm that you have read and complied with paragraph 8 below;

2.1.14 agree that all subscription cheques and payments will be processed through bank accounts (the “**Acceptance Account**”) in the name of “**Neville Registrars Limited Re: Clients Account**” operated by the Receiving Agent;

2.1.15 agree that your Application is addressed to the Company and the Receiving Agent; and

2.1.16 agree that your Application may be rejected in whole or in part at the sole discretion of the Company.

3. ACCEPTANCE OF YOUR OFFER

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

3.2 The basis of allocation will be determined by the Company in its absolute discretion (in consultation with Singer Capital Markets). 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 received in accordance with the instructions accompanying the Application. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Online Application or Application Form where you have agreed with the Company in some other manner to apply in accordance with these terms and conditions of application.

3.3 The Receiving Agent will present all payments on receipt and will retain documents of title and surplus monies pending clearance of successful applicants’ payment. The Company may require you to pay interest or its or its’ agents other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. The right is also reserved to reject in whole or in part, or to scale down or limit, any application. 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 two percentage points above the then published bank base rate of a clearing bank selected by the Receiving Agent.

3.4 All payments must be in pounds Sterling and in accordance with the instructions in the Online Application or the Application Form (as applicable). Payments must be made in Sterling drawn on a branch in the United Kingdom of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited and must be drawn in the same name as the name of the current shareholder or prospective investor. Third-party payments will not be accepted. The Company reserves the right to instruct the Receiving Agent to seek special clearance of payments to allow the Company to obtain value for remittances at the earliest opportunity. It is a term of the Offer for Subscription that payments shall be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid acceptances in respect of which payments are not so honoured.

3.5 For applicants sending monies by electronic bank transfer (CHAPS), payment must be made for value by no later than 11.00 a.m. on 14 July 2023. Applicants wishing to make a CHAPS payment should follow the instructions in the Online Application and will receive an email following completion of the Online Application with the relevant bank details. Applicants who wish to complete an Application Form and who wish to send monies by electronic bank transfer (CHAPS) should contact the Receiving Agent by telephone during normal office hours on 0121 585 1131 or by email via support@nevilleregistrars.co.uk. Applicants will be provided with a unique reference number which must be used when making the payment.

3.6 Should you wish to apply for Ordinary Shares by DVP you will need to match the instruction to the Receiving Agent’s CREST account by no later than 11.00 a.m. on 14 July 2023, allowing for the delivery and acceptance of your Ordinary Shares to your CREST account against payment of the Issue Price through the CREST system upon the relevant settlement date, following the CREST

matching criteria set out at the end of the Online Application (which will also be sent to you via email following completion of the Online Application) or in the Application Form (as applicable).

- 3.7 By completing an Online Application or returning your Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian's CREST account allows for the delivery and acceptance of Ordinary Shares to be made prior to 8.00 a.m. on 26 July 2023 against payment of the Issue Price. Failure by you to do so will result in you being charged interest at the rate of two percentage points above the then published bank base rate of a clearing bank selected by the Receiving Agent.
- 3.8 The Company reserves the right (but shall not be obliged) to accept applications for less than £1,000 or applications in excess of £1,000 but not otherwise in multiples of £100.

4. CONDITIONS

- 4.1 The contracts created by the acceptance of Applications (in whole or in part) under the Offer for Subscription will be conditional upon:
- (a) 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);
 - (b) 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
 - (c) 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).
- 4.2 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.

5. RETURN OF APPLICATION MONIES

Where application monies have been received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning a cheque, bank transfer or return payment to your debit card (depending on your payment method and methods available under the UK banking system). If by cheque, such cheque will be in your favour, and will be sent by post at the risk of the person(s) entitled thereto, without interest within 14 days. In the meantime, application monies will be retained by the Receiving Agent in a separate non-interest-bearing account.

6. WARRANTIES

By completing an Application, you:

- 6.1 undertake and warrant that, if you complete or sign the Application 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;
- 6.2 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 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;
- 6.3 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 this Prospectus and any supplementary prospectus published by the Company

prior to Admission (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for this Prospectus or any supplementary prospectus published by the Company prior to Admission or any part thereof shall have any liability for any such other information or representation;

- 6.4 agree that, having had the opportunity to read this Prospectus and any supplementary prospectus published by the Company prior to Admission, you shall be deemed to have had notice of all information and representations contained therein;
- 6.5 acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus published by the Company prior to Admission and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, SCM Securities, the Sponsor, the Proposed Manager or the Receiving Agent;
- 6.6 warrant that you are not under the age of 18 on the date of your application;
- 6.7 agree that all documents and monies sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first-named holder) as set out in your Application;
- 6.8 warrant that you are not applying as, or as nominee or agent of, a person who is or may be a person mentioned in any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipt and clearance services);
- 6.9 confirm that you have reviewed the restrictions contained in paragraph 8 below and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or complied with the provisions therein;
- 6.10 agree that, in respect of those Ordinary Shares for which your Application has been made and processed and not rejected, acceptance of your Application shall be constituted by the Company or its agents instructing the Registrar to enter your name on the Register;
- 6.11 agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription and any non-contractual obligations existing under or in connection therewith shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- 6.12 irrevocably authorise the Company, Singer Capital Markets 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 Singer Capital Markets and/or the Receiving Agent to execute any documents required therefor and to enter your name on the Register;
- 6.13 agree to provide the Company with any information which it, Singer Capital Markets 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;
- 6.14 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, SCM Securities, the Sponsor, the Proposed Manager 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;
- 6.15 warrant that you are knowledgeable and experienced in business and financial matters so as to be capable of evaluating the merits and risks of an investment in the Ordinary Shares, fully understand the risks associated with such investment and are able to bear the economic risk of your investment including the complete loss of your investment;

- 6.16 agree that Singer Capital Markets 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;
- 6.17 warrant that the information contained in the Application is true and accurate;
- 6.18 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;
- 6.19 acknowledge that the key information document prepared by the Company pursuant to the UK PRIIPs Regulation can be provided to you in paper or by means of a website, but that where you are applying under the Offer for Subscription directly and not through an adviser or other intermediary, unless requested in writing otherwise, the completion of an Online Application or the lodging of an Application Form represents your consent to being provided the key information document via the Company's website (<https://theinvestmentcompanyplc.co.uk>) or on such other website as has been notified to you. Where your application is made on an advised basis or through another intermediary, the terms of your engagement should address the means by which the key information document will be provided to you; and
- 6.20 acknowledge that the content of this Prospectus and any supplementary prospectus published by the Company prior to Admission is exclusively the responsibility of the Company and its Directors (and, to the extent stated in paragraph 13.4 of Part 10 of this Prospectus, the Proposed Manager) and neither Singer Capital Markets nor any person acting on its behalf nor any of its affiliates are responsible for or shall have any liability for any information published by or on behalf of the Company and will not be liable for any decision to participate in the Offer for Subscription based on any information, representation or statement contained in this Prospectus or otherwise.
- 6.21 acknowledge and understand that the Company may be required to comply with international regimes for the automatic exchange of information (including FATCA and the Common Reporting Standard) and that the Company will comply with requirements to provide information to HMRC which may be passed on to other relevant tax authorities. You agree to furnish any information and documents the Company may from time to time request; and
- 6.22 agree that you are capable, or the underlying client(s) in the case of applications on behalf of professionally-advised private investors are capable themselves, of evaluating the merits and risks of an investment in the Company and have sufficient resources to be able to bear any losses which may result from the investment.

7. MONEY LAUNDERING

- 7.1 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 completing the Online Application or lodging an Application Form and further may request from you and you will assist in providing identification of:
- 7.1.1 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
- 7.1.2 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.
- 7.2 Failure to provide the necessary evidence of identity may result in your application being rejected or delays in the despatch of documents or CREST account being credited.
- 7.3 Without prejudice to the generality of this paragraph 7, verification of the identity of holders and payors will be required. The Receiving Agent will initially use online sources to perform such checks so as to provide a more efficient service. If, in such circumstances, the person whose account is being debited is not a holder or an online check is not possible, 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 3 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.

- 7.4 For the purpose of the UK's 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.
- 7.5 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).

8. NON-UNITED KINGDOM INVESTORS

- 8.1 If you receive a copy of, or a link to, this Prospectus, the Online Application or an Application Form in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you, nor should you, in any event, complete an Online Application or use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Online Application or 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.
- 8.2 None of the Ordinary Shares have been or will be registered under the laws of Canada, Japan, the Republic of South Africa, Australia or under the US Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States, Canada, Japan, the Republic of South Africa 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, into or within Canada, Japan, the Republic of South Africa, 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, represent and warrant to the Company that you are not a resident of Canada, Japan, the Republic of South Africa, Australia or the United States or a corporation, partnership or other entity organised under the laws of the United States or Canada (or any political subdivision of either) or Japan, the Republic of South Africa or Australia and that you are not subscribing for such Ordinary Shares for the account of any resident of Canada, Japan, the Republic of South Africa, Australia or the United States 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 resident of the United States, Canada, Japan, the Republic of South Africa or Australia. No application will be accepted if it shows the applicant or a payor having an address in the United States, Canada, Japan, the Republic of South Africa or Australia.

9. DATA PROTECTION

- 9.1 Each applicant acknowledges that it has been informed that, pursuant to the EU General Data Protection Regulation 2016/679 ("**EU GDPR**") and/or the EU GDPR as it forms part of the domestic law of the United Kingdom by virtue of the EUWA ("**UK GDPR**") and the UK Data Protection Act 2018 (as amended from time to time) (together, the "**DP Legislation**") the Company and/or the Registrar may hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data may be retained on record for a period exceeding six years after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out in the Company's privacy notice, which is available for review on the Company's website (<https://theinvestmentcompanyplc.co.uk>) (the "**Privacy Notice**"), including for the purposes set out below (collectively, the "**Purposes**"), being to:
- 9.1.1 process the personal data to the extent and in such manner as is necessary for the performance of its obligations under its service contract, including as required by or in connection with the applicant's holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on the applicant;

- 9.1.2 communicate with the applicant as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
 - 9.1.3 to comply with the legal and regulatory obligations of the Company, and/or the Registrar; and
 - 9.1.4 process the personal data for the Registrar's internal administration.
- 9.2 In order to meet the Purposes, it will be necessary for the Company and the Registrar to provide personal data to:
- 9.2.1 third parties located either within, or outside of the United Kingdom (or the EEA, to the extent that the EU GDPR applies in respect of the personal data being shared), if necessary for the Registrar to perform its functions, or when it is necessary for its legitimate interests, and in particular in connection with the holding of Ordinary Shares; or
 - 9.2.2 its affiliates, the Company (in the case of the Registrar) or the Proposed Manager and their respective associates, some of which may be located outside of the United Kingdom (or the EEA, to the extent that the EU GDPR applies in respect of the personal data being shared).
- 9.3 Any sharing of personal data by the Company or the Registrar with other parties will be carried out in accordance with the DP Legislation and as set out in the Company's Privacy Notice.
- 9.4 By becoming registered as a holder of Ordinary Shares a person becomes a data subject (as defined in the DP Legislation). In providing the Registrar with information, each applicant hereby represents and warrants to the Registrar that it has (i) notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company's Privacy Notice and any other data protection notice which has been provided by the Company and/or the Registrar; and (ii) where consent is legally required under applicable DP Legislation, it has obtained the consent of any data subject to the Registrar 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 above in this paragraph 9).
- 9.5 Each applicant acknowledges that by submitting personal data to the Registrar (acting as agent on behalf of the Company) where the applicant is a natural person he or she has read and understood the terms of the Company's Privacy Notice.
- 9.6 Each applicant acknowledges that by submitting personal data to the Registrar (acting as agent on behalf of the Company) where the applicant is not a natural person it represents and warrants that:
- 9.6.1 it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the applicant may act or whose personal data will be disclosed to the Company as a result of the applicant agreeing to subscribe for Ordinary Shares; and
 - 9.6.2 the applicant has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company.
- 9.7 Where the applicant acts for or on account of an underlying data subject or otherwise discloses the person data of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising in relation to the Offer for Subscription:
- 9.7.1 comply with all applicable data protection legislation;
 - 9.7.2 take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to, the personal data;
 - 9.7.3 if required, agree with the Company and the Registrar, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
 - 9.7.4 it shall immediately on demand, fully indemnify each of the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Registrar in connection with any failure by the applicant to comply with the provisions set out above.

10. UNITED STATES PURCHASE AND TRANSFER RESTRICTIONS

10.1 By participating in the Offer for Subscription, each applicant acknowledges and agrees that it will be further deemed to represent and warrant to each of the Company, the Proposed Manager and the Registrar that:

10.1.1 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;

10.1.2 it acknowledges that the Ordinary Shares have not been and will not be registered under 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 in the United States or to, or for the account or benefit of, US Persons absent registration or an exemption from registration under the US Securities Act;

10.1.3 it acknowledges that the Company has not registered under the 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 Investment Company Act;

10.1.4 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: (a) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (b) a “plan” as defined in Section 4975 of the Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Tax Code; or (c) 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 Tax Code. In addition, if an applicant 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 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;

10.1.5 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:

“THE INVESTMENT COMPANY 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.”;

10.1.6 if in the future the applicant 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 US Securities Act and under circumstances which will not require the Company to register under the US Investment Company Act;

10.1.7 it is purchasing the Ordinary Shares for its own account 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 US Securities Act, the Investment Company Act or any other applicable securities laws;

10.1.8 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;

- 10.1.9 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;
- 10.1.10 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 Proposed Manager, or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Offer for Subscription or its acceptance of participation in the Offer for Subscription; and
- 10.1.11 it has received, carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document 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.
- 10.2 The Company, the Proposed Manager, the Registrar 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.
- 10.3 If any of the representations, warranties, acknowledgments or agreements made by the applicant are no longer accurate or have not been complied with, the applicant will immediately notify the Company.

11. MISCELLANEOUS

- 11.1 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.
- 11.2 The rights and remedies of the Company 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.
- 11.3 The Company reserves the right to extend the closing time and/or date of the Offer for Subscription from 12.00 p.m. on 14 July 2023. In that event, the new closing time and/or date will be notified through a Regulatory Information Service.
- 11.4 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 at the risk of the applicant.
- 11.5 You agree that Singer Capital Markets and the Receiving Agent are acting for the Company in connection with the Issue and no-one else and that none of Singer Capital Markets or 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 Offer for Subscription or for providing the protections afforded to their customers.
- 11.6 Save where the context requires otherwise, terms used in these terms and conditions of application bear the same meaning as where used elsewhere in this Prospectus.
- 11.7 If you have any questions please contact the Receiving Agent on 0121 585 1131, or +44 121 585 1131 if calling from outside the UK. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

PART 9

UK TAXATION

1. GENERAL

The following comments do not constitute tax advice and are intended only as a general guide to current UK law and HMRC's published practice as at the date of this Prospectus (both of which are subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the UK tax treatment of Shareholders.

Except insofar as express reference is made to the treatment of non-UK residents, these comments relate only to Shareholders who for UK tax purposes are at all relevant times resident solely in and (in the case of individuals, domiciled in) the UK and to whom "split year" treatment does not apply.

The comments apply only to Shareholders who are the absolute beneficial owners of their Ordinary Shares and the dividends payable on them.

The comments apply only to Shareholders who hold their Ordinary Shares as investments, and not as assets to be realised in the course of any trade. The comments may not apply to certain categories of Shareholder such as dealers in securities, insurance companies and collective investment schemes, Shareholders who are exempt from taxation (or who hold their Ordinary Shares through a SIPP or an ISA) or Shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of any office or employment. Such persons may be subject to special rules.

Shareholders and prospective investors should seek independent professional tax advice as to the tax consequences for them of an investment in the Company and of the Proposals.

2. THE COMPANY

The Directors intend to continue 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, neither the Proposed Manager nor the Directors can guarantee that this approval will be maintained. In respect of each accounting period for which the Company is and 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 generally be expected to apply in respect of most dividends it receives. The Company has no present intention to elect to take advantage of the "streaming" regime for "qualifying interest income".

3. SHAREHOLDERS

Taxation of dividends

The tax laws of a Shareholder's home jurisdiction and of the UK may have an impact on the income received from the Ordinary Shares.

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

Individuals

UK resident individual Shareholders who receive dividends from the Company will generally pay UK income tax on those dividends. For the 2023/24 tax year the tax rates applicable to dividends received over the annual dividend allowance are:

- 8.75 per cent. on dividend income within the basic rate band;
- 33.75 per cent. on dividend income within the higher rate band; and
- 39.35 per cent. on dividend income within the additional rate band.

Companies

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, requires a number of conditions to be met, and is subject to anti-avoidance rules. Shareholders should therefore consult their own professional advisers where necessary.

Taxation of chargeable gains

Disposals of Ordinary Shares – general

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, allowance or relief, give rise to a chargeable gain (or allowable loss) for the purposes of UK taxation of chargeable gains.

Shareholders that are not resident in the UK for tax purposes (and not only temporarily non-resident) will not generally be subject to UK taxation of chargeable gains on a disposal of their Ordinary Shares, provided that their Ordinary Shares are not and have not been acquired, held or used in or for the purposes of any trade, profession or vocation carried on by the Shareholder in the UK through a branch, agency or permanent establishment and provided that the Company is not a UK property rich company (being, broadly, a company that is treated as deriving 75 per cent. or more of its gross asset value directly or indirectly from interests in UK land). It should however be noted that, in certain circumstances, an individual Shareholder who is only temporarily non-UK resident may, on re-establishing UK tax residence, be subject to capital gains tax in respect of disposals which occurred in the period of temporary non-residence.

Tender Offer

A Shareholder who sells Ordinary Shares in the Tender Offer (whether pursuant to the Matched Bargain Facility or otherwise) should be treated, for the purposes of UK taxation, as though the Shareholder has sold them in the normal way to a third party. Accordingly, any such Shareholder who is UK resident for tax purposes may, depending on that Shareholder's personal circumstances, be subject to capital gains tax (or, in the case of a corporate Shareholder, corporation tax on chargeable gains) in respect of any gain arising on such sale. Shareholders who are not resident in the UK for taxation purposes will not normally be liable to UK taxation on chargeable gains arising from the sale of their Ordinary Shares unless those Ordinary Shares are held for the purposes of a UK permanent establishment, branch or agency, although they may be subject to foreign taxation depending on their personal circumstances. Individual Shareholders who are temporarily not resident in the UK for tax purposes may be liable to capital gains tax under tax anti-avoidance legislation.

ISAs

Ordinary Shares acquired pursuant to the Offer for Subscription or in the secondary market should, subject to the annual ISA investment allowance, be eligible for inclusion in an ISA. Ordinary Shares acquired pursuant to the Intermediaries Offer should also be eligible, subject to the annual ISA investment allowance, for inclusion in an ISA provided that the Intermediaries Offer is accepted by HMRC as being open to the public at large. The annual ISA investment allowance for the tax year 2023/24 is £20,000. Ordinary Shares issued pursuant to the Placing would not be eligible to be included directly in an ISA.

Any Shareholder wishing to hold Ordinary Shares through an ISA should contact their ISA manager.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

The following comments in relation to UK stamp duty and SDRT apply to Shareholders wherever they are resident or domiciled. They are intended only as a general guide and (except to the extent stated) do not relate to persons such as market makers, brokers, dealers, intermediaries or persons connected with depositary arrangements or clearance services, or to transfers to a company connected with the transferor, where special rules may apply.

Issue

The issue of new Ordinary Shares pursuant to the Issue will not give rise to stamp duty or SDRT.

Acquisition of Ordinary Shares pursuant to the Matched Bargain Facility

Under the Matched Bargain Facility, Ordinary Shares may be acquired by way of a transfer of existing Ordinary Shares (as opposed to the issue of new Ordinary Shares). The stamp duty and SDRT treatment of transfers of Ordinary Shares is discussed below.

Transfers of Ordinary Shares

Stamp duty at the rate of 0.5 per cent. (rounded up to the nearest £5) of the amount or value of the consideration given will generally be payable in respect of an instrument transferring Ordinary Shares. An exemption from stamp duty is available for instruments transferring shares where the amount or value of the consideration is £1,000 or less and it is certified on the instrument that the transaction effected by it does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the consideration exceeds £1,000.

A charge to SDRT will also arise in respect of an unconditional agreement to transfer Ordinary Shares (at the rate of 0.5 per cent. of the amount or value of the consideration for the shares). However, if an instrument of transfer is executed in pursuance of the agreement and duly stamped within six years of the date on which the agreement became unconditional, the SDRT charge will generally be cancelled and any SDRT which has already been paid can generally be reclaimed.

Ordinary Shares held through CREST

Paperless transfers of Ordinary Shares within CREST are generally subject to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is generally obliged to collect SDRT on relevant transactions settled within the system. Deposits of Ordinary Shares into CREST will generally not be subject to SDRT or stamp duty, unless the transfer into CREST is itself for consideration in money or money's worth, in which case a liability to SDRT will arise, usually at the rate of 0.5 per cent. of the amount or value of the consideration.

Repurchases of Ordinary Shares by the Company pursuant to the Repurchase Agreement

Stamp duty or stamp duty reserve tax at the rate of 0.5 per cent. of the Tender Price (rounded up to the nearest £5 per relevant transfer in the case of stamp duty) will be payable by the Company in respect of buybacks of Ordinary Shares by the Company pursuant to the Tender Offer. Any stamp duty incurred by the Company or Incoming Shareholders who acquire Ordinary Shares pursuant to the Matched Bargain Facility will be included in the Transaction Costs and so 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.

Information reporting

The UK has entered into a number of international arrangements which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, FATCA, the Common Reporting Standard, and a number of other arrangements with particular jurisdictions. In connection with agreements and arrangements of this kind, 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 the authorities in other jurisdictions.

PART 10

ADDITIONAL INFORMATION

1. THE COMPANY AND THE PROPOSED MANAGER

- 1.1 The Company was incorporated in England and Wales on 14 November 1868 as a public limited company under the Companies Act with registered number 00004205. The Company has an indefinite life.
- 1.2 The registered office of the Company is Suite 8, Bridge House, Courtenay Street, Newton Abbot, Devon TQ12 2QS, United Kingdom, its telephone number is +44 20 3934 6630 and its website address is <https://theinvestmentcompanyplc.co.uk>. The Company's Legal Entity Identifier is 2138004PBWN5WM2XST62. Information on the Company's website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.
- 1.3 The principal legislation under which the Company operates is the Companies Act. The Company is not regulated as a collective investment scheme by the FCA but the Company has registered as a small registered internal AIFM pursuant to Article 10 of the AIFM Directive. As a company with shares admitted to the Official List (premium listing) of the FCA and to trading on the premium segment of the main market of the London Stock Exchange, the Company is subject to the Listing Rules, the UK Prospectus Regulation, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the UK Market Abuse Regulation and to the rules of the London Stock Exchange.
- 1.4 The Company's accounting period ends on 30 June of each year. The annual report and accounts are prepared in Sterling according to the accounting standards laid out under IFRS.
- 1.5 The Company is domiciled in England and Wales and, as at the date of this Prospectus, does not have any employees.
- 1.6 The Company has two wholly-owned Subsidiaries: Abport Limited, an investment dealing company, and New Centurion Trust Limited, an inactive investment company.
- 1.7 The Proposed Manager is a private company with limited liability incorporated in England & Wales on 4 September 1997 with registered number 03429348. The Proposed Manager is regulated by the FCA with firm reference number 185917. The address of the registered office of the Proposed Manager is 11 Laura Place, Bath BA2 4BL, England. Its telephone number is +44 (0)1225 483 030 and its Legal Entity Identifier is 213800PV776NLV8XUR65.

2. SHARE CAPITAL

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

	Nominal Value (£)	Number
Ordinary Shares	0.50	4,772,049
Preference Shares	0.50	1,717,565
Deferred Shares	0.01	–

The Ordinary Shares are fully paid up and no Ordinary Shares are held in treasury.

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.

There are no Deferred Shares in issue.

- 2.2 The Issue is being implemented in conjunction with the Tender Offer. To the extent that there is demand from investors willing to acquire Ordinary Shares in excess of the number of Ordinary Shares available to purchase from Tendering Shareholders, such excess demand shall be satisfied by the issue of Ordinary Shares pursuant to the Placing, the Offer for Subscription and/or the Intermediaries Offer, in which case the effect of the Issue will be to increase the net assets of the Company. On the assumption that the Company receives no valid tenders for Ordinary Shares and

receives commitments to subscribe for Ordinary Shares equal to £10.00 million, the Issue is expected to increase the net assets of the Company by approximately £9.45 million (assuming Transaction Costs are £550,000).

- 2.3 Set out below is the issued share capital of the Company as it will be following the Issue (assuming that no Ordinary Shares are tendered and the Company issues 6 million new Ordinary Shares):

	Nominal value (£)	Number
Ordinary Shares	0.50	10,772,049
Preference Shares	0.50	1,717,565

- 2.4 Conditional on Completion of the Tender Offer and following completion of the Issue, the Directors are seeking authority to sub-divide the existing Ordinary Shares with a nominal value of £0.50 each into ordinary shares with a nominal value of £0.10 each. Any such sub-division will be notified to Shareholders by way of an RIS.

- 2.5 The new 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.

- 2.6 The Directors have convened the General Meeting for 26 June 2023 at which the following resolutions will be proposed as special resolutions:

2.6.1 that, subject to the confirmation of the Court, the amount outstanding to the credit of the share premium account of the Company as at 26 June 2023 be cancelled and the amount of the share premium account so cancelled be credited to a distributable reserve which shall be capable of being applied in any manner in which the Company's profits available for distribution (as determined in accordance with the Companies Act 2006) are able to be applied;

2.6.2 that, subject to the confirmation of the Court, the amount standing to the credit of the capital redemption reserve of the Company as at 26 June 2023 be cancelled and the amount of the capital redemption reserve so cancelled be credited to a distributable reserve which shall be capable of being applied in any manner in which the Company's profits available for distribution (as determined in accordance with the Companies Act 2006) are able to be applied; and

2.6.3 that:

(a) conditional on the satisfaction of the Continuation Conditions, in addition to any existing authorities, the Company be generally and unconditionally authorised in accordance with Section 701 of the Companies Act to make market purchases (within the meaning of Section 693(4) of the Companies Act) of Ordinary Shares pursuant to the Tender Offer provided that:

- (i) the maximum number of Ordinary Shares authorised to be purchased shall be 4,772,048;
- (ii) the price which may be paid for an Ordinary Share shall be the Tender Price (which shall be both the maximum and the minimum price for the purposes of section 701 of the Companies Act); and
- (iii) unless renewed, such authority shall expire on the first to occur of: (i) the Completion of the Tender Offer; (ii) the termination of the Tender Offer; or (iii) the Tender Offer lapsing, in accordance with the terms set out in the Circular;

(b) conditional on Completion of the Tender Offer, in addition to any existing authorities, the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £3 million in connection with the Issue, such authority to expire immediately following Admission, 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;

- (c) conditional on Completion of the Tender Offer, in addition to any existing authorities, the Directors be empowered (pursuant to sections 570 and 573 of the Companies Act) to allot Ordinary Shares and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in paragraph 2.6.3(b) above as if section 561 of the Companies Act did not apply to any such allotment or sale, such power to expire immediately following Admission, 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 Ordinary Shares to be allotted or Ordinary Shares 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;
- (d) conditional on Completion of the Tender Offer, the Articles of Association be amended by the deletion of Article 83 and the insertion of the following replacement Article 83:

“At the annual general meeting of the Company to be held in 2028, the Directors shall propose an ordinary resolution that the Company continue in existence as a closed-ended investment company (the “**Continuation Resolution**”). If passed, a similar ordinary resolution will be proposed at every fifth annual general meeting thereafter. In the event that a Continuation Resolution is not passed, the Directors shall formulate proposals to be put to Ordinary Shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up with the aim of enabling Ordinary Shareholders to realise their holdings in the Company as soon as is practicable but, in any event, within six months of the Continuation Resolution not being passed.”;

- (e) conditional on Completion of the Tender Offer, the proposed investment objective and policy set out in the circular to Shareholders dated 9 June 2023 be adopted as the investment objective and policy of the Company to the exclusion of the existing investment objective and policy of the Company; and
 - (f) conditional on Completion of the Tender Offer and following completion of the Issue, in accordance with section 618 of the Companies Act 2006, each of the ordinary shares of £0.50 in the capital of the Company then in issue (“**Existing Ordinary Shares**”) which are credited as fully paid be sub-divided into five ordinary shares of £0.10 each in the capital of the Company, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as each of the Existing Ordinary Shares.
- 2.7 The provisions of Section 561(1) of the Companies Act (which, to the extent not disapplied pursuant to Sections 570 and 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to issues by the Company of equity securities, save to the extent disapplied by the resolution referred to in paragraph 2.6.3 above.
- 2.8 In accordance with the authority referred to in paragraph 2.6.3 above, it is expected that the Ordinary Shares to be issued pursuant to the Issue will be allotted (conditionally upon Admission) pursuant to a resolution of the Board to be passed shortly before Admission in accordance with the Companies Act.
- 2.9 Save as disclosed in this paragraph 2, no share or loan capital of the Company been issued or been agreed to be issued, fully or partly paid, either for cash or for a consideration other than cash, and no such issue is now proposed.
- 2.10 No convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
- 2.11 All of the new Ordinary Shares will be in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued.
- 2.12 Applicants who have completed or otherwise signed and returned Applications in respect of the Offer for Subscription may not withdraw their applications for Ordinary Shares subject to their statutory rights of withdrawal in the event of the publication of a supplementary prospectus.

3. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

- 3.1 Save as set out in this paragraph 3.1, no Director or Proposed Director has any interests (beneficial or non-beneficial) in the share capital of the Company as at the Latest Practicable Date:

Director	Number of Ordinary Shares	Percentage of issued Ordinary Share Capital
Ian Dighé	30,820	0.65%
Timothy Metcalfe	47,505	1.00%
Martin Perrin	21,695	0.45%
Michael Weeks	32,000	0.67%
David Horner	—	—

3.2 The Proposed Director and the following employees of the Proposed Manager or members of their family intend to subscribe for Ordinary Shares pursuant to the Issue in the amounts set out below:

Name	Aggregate subscription	Number of Ordinary Shares*	Percentage of issued Ordinary Share Capital**
David Horner	£100,000	28,006	0.6%
James Baker	£1,000,000	280,065	5.9%
Alastair Rae	£150,000	42,010	0.9%
David Taylor	£100,000	28,006	0.6%
Edward Booth	£54,500	15,264	0.3%
Henry Botting	£40,000	11,203	0.2%
Oliver Knott	£25,000	7,002	0.1%
Lisa Pavitt	£20,000	5,601	0.1%

* Assuming an Issue Price of 357.06 pence, calculated based on the latest published NAV at the Latest Practicable Date of £17,039,027.

** Assuming no new Ordinary Shares are issued pursuant to the Issue or repurchased by the Company pursuant to the Tender Offer.

3.3 No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits.

3.4 None of the Directors or the Proposed Director has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or that has been effected by the Company.

3.5 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.

3.6 Over the five years preceding the date of this Prospectus, the Directors and the Proposed Director hold or have held the following directorships (apart from their directorships of the Company and any subsidiaries of an issuer of which they are also a director) or memberships of administrative, management or supervisory bodies and/or partnerships:

Name	Current	Previous
Ian Dighé	Edelweiss Holdings plc Mathom House Investments Limited	AVPE Group Limited (<i>dissolved on 22 June 2021</i>) AVPE Holdings Limited (<i>dissolved on 6 Dec 2019</i>) AVPE Investment Limited (<i>entered into administration on 20 January 2021 and dissolved on 14 December 2021</i>) AVPE Limited (<i>dissolved on 22 June 2021</i>) Dornoch Holdco Limited (<i>dissolved on 27 September 2022</i>) QP Estate Management Limited Redcliffe Precision Limited (<i>entered into administration on 25 January 2021 and dissolved on 21 October 2022</i>)

Name	Current	Previous
Timothy Metcalfe	Enceladus Communications Ltd IFC Advisory Ltd Nichols Cars Limited Rapier Motors Limited Spiritus Mundi plc	None
Martin Perrin	Fiske plc Fivar Limited	Fairfax Perrin Limited Fivar Finance Limited Muir Finance Company Limited SoftTelecom Desarrollos I MAS D Vipera MENA FZ-LLC Vipera plc Vipera Services srl Vipera Srl
Michael Weeks	Edelweiss Investments Limited Edelweiss Investment Research AG (<i>in liquidation</i>)	–
David Horner	Aford Awards Group Holdings Limited Aford Awards (Holdings) Limited Aford Awards Limited CEPS plc Chalfont Productions Limited Chelverton Asset Management Holdings Limited Chelverton Asset Management Limited Chelverton Growth Trust plc Chelverton UK Growth Opportunities Trust plc Electric Bear Brewing Company Ltd Macaulay Capital PLC Macaulay Management Limited Sunline Direct Mail Limited (<i>in administration</i>) Vale Brothers Group Limited Youth Music Wessex CIC	CEM Group Limited CEM Press Holdings Limited CEM Press Limited CEMteal Limited Colinette Holdings Limited Davies Odell Limited Sunline Direct Mail (Holdings) Limited

- 3.7 Save as disclosed in paragraph 3.6 above, the Directors and the Proposed Director in the five years before the date of this Prospectus:
- 3.7.1 do not have any convictions in relation to fraudulent offences;
- 3.7.2 have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company, or any company put into administration, 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
- 3.7.3 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.
- 3.8 As at the date of this Prospectus, save as set out below, none of the Directors or the Proposed Directors has any conflict of interest or potential conflicts of interest between any duties to the Company and their private interests and any other duties:

- 3.8.1 Martin Perrin is a non-executive director of the Custodian and, accordingly, a conflict of interest may arise in relation to the Company's continued appointment of the Custodian or the terms upon which it is appointed. Martin Perrin will not, therefore, participate or vote in any Board discussions regarding the terms of the Custodian's appointment; and
- 3.8.2 David Horner is an executive director of the Proposed Manager and, accordingly, a conflict of interest may arise in relation to the Company's appointment of the Proposed Manager or the terms upon which it is appointed. David Horner will not, therefore, participate or vote in any Board discussions regarding the terms of the Proposed Manager's appointment.
- 3.9 The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.
- 3.10 There are no family relationships between any of the Directors.
- 3.11 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 Prospectus, 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%

- 3.12 All Ordinary Shareholders have the same voting rights in respect of the share capital of the Company.
- 3.13 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.
- 3.14 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.

4. DIRECTORS' LETTERS OF APPOINTMENT

- 4.1 No Director or Proposed Director has a service contract with the Company, nor are any such contracts proposed.
- 4.2 Each Director and the Proposed Director has entered into a letter of appointment with the Company. The Proposed Director's appointment will take effect on the Tender Offer becoming unconditional in all respects. The Directors' appointments can be terminated in accordance with the Articles and without compensation. All 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, amongst 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.
- 4.3 Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. The fees for each Director are £20,000 per annum. The Proposed Director has waived his entitlement to any annual fees in connection with his performance of services as a Director.
- 4.4 The Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties.

5. ARTICLES OF ASSOCIATION

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

5.1 Objects

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

5.2 Rights attaching to the Preference Shares and the Ordinary Shares

- 5.2.1 The rights attaching to the Preference Shares are as follows:

- (i) as regards income, the holders of the Preference Shares shall be entitled in priority to the payment of any dividend to the holders of all or any other shares in the capital of the Company to a fixed cumulative cash dividend at the rate of 0.01 pence per annum per each Preference Share, the same to be distributed rateably amongst them according to the amounts paid up or credited as paid up on the Preference Shares, and to accrue on a daily basis and to be paid out of the profits of the Company available for distribution. Such dividend shall be paid annually;
- (ii) as regards capital, on a distribution of assets on a winding-up or other return of capital (otherwise than on conversion or redemption or purchase by the Company of any of its shares) the holders of the Preference Shares shall be entitled to receive the nominal amount paid up or credited as paid up on their shares, together with all dividends accrued thereon and thereafter the Preference Shares shall not be entitled to share or participate further or otherwise in such surplus assets;
- (iii) as regards voting, the holders of the Preference Shares shall not be entitled to receive notice of or to attend (either personally or by proxy) any general meeting of the Company or to vote (either personally or by proxy) on any resolution to be proposed thereat; and
- (iv) the rights attached to the Preference Shares shall not be nor shall they be deemed to be, varied, or abrogated by the creation or issue of any new shares ranking in priority to or *pari passu* with or subsequent to such shares.

5.2.2 The rights attaching to the Ordinary Shares are as follows:

- (i) as regards income, if after making provision for the fixed dividend on the Preference Shares (provided for in paragraph 5.2.1(i) above) there are further profits available for dividend and resolved to be distributed by the Company in respect of any financial year of the Company, the balance may be distributed among the holders of the Ordinary Shares rateably according to the amounts paid or credited as paid up on such shares;
- (ii) as regards capital, if after making provision for the payment of the nominal amount paid up or credited as paid up on the Preference Shares, together with all dividends accrued thereon (provided for in paragraph 5.2.1(ii) above), the balance of the surplus assets if any shall belong to and be distributed amongst the holders of the Ordinary Shares rateably according to the amounts paid up on such shares;
- (iii) as regards voting, the holders of Ordinary Shares will have the right to receive notice of, and to attend, speak and vote at, general meetings of the Company. On a show of hands each such holder present in person or by a duly authorised representative (if a corporation) and entitled to vote shall have one vote and, on a poll, each such holder present in person or by proxy or by a duly authorised representative (if a corporation) and entitled to vote shall have one vote for every Ordinary Share held by him.

5.3 Variation of rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Articles relating to general meetings shall apply but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

5.4 Alteration of share capital

5.4.1 The Company may from time to time by ordinary resolution:

- (i) increase its capital by the creation of new shares of such amount as the resolution prescribes;
- (ii) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association of the Company;

- (iii) determine that, as between the shares resulting from a sub-division, any of them may have any preference or advantage compared with others;
- (iv) consolidate, or consolidate and divide, its shares or any of them into shares of a larger amount than its existing shares; and
- (v) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its capital by the amount of the shares so cancelled.

5.4.2 The Company may, by special resolution, reduce its share capital, or any capital redemption reserve or any share premium account or other undistributable reserve in any manner authorised by the Statutes.

5.5 **Issue of shares**

Subject to the Articles and to the provisions of the Statutes relating to the allotment of shares, pre-emption rights and otherwise and to any resolution of the Company in general meeting passed pursuant to those provisions, the Directors are generally authorised to allot shares and to grant rights to subscribe for, or to convert any security into, shares, pursuant to those rights, to such persons, at such times and on such terms and in such manner as they think fit.

5.6 **Voting rights**

Subject to any rights or restrictions for the time being attached to any class of Shares:

- (i) on a show of hands every Shareholder (being an individual) present in person or (being a corporate Shareholder) present by a representative and every proxy duly appointed by one or more Shareholders entitled to vote on the resolution shall have one vote, save that a proxy shall have one vote for and one vote against the resolution if the proxy has been duly appointed by more than one Shareholder entitled to vote on the resolution and the proxy has been instructed by one or more of those Shareholders to vote for the resolution and by one or more other of those Shareholders to vote against it;
- (ii) on a poll, every Shareholder (being an individual) present in person or by one or more duly appointed proxies or (being a corporate Shareholder) by representative or by one or more duly appointed proxies shall have one vote for every share held by him. No Shareholder shall be entitled to vote at any general meeting either on a show of hands or on a poll (in person or by proxy) unless all calls or other sums presently payable by him in respect of the shares held by him in the Company have been paid; and
- (iii) if any objection shall be raised as to the qualification of any person or it is alleged that any votes have been counted which should not have been counted or that any votes have not been counted which ought to have been counted, the objection or allegation shall not vitiate the decision on any resolution unless it is raised at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the alleged error occurs. Any objection or allegation made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

5.7 **Transfer of shares**

All transfers of shares in certificated form must be in writing in the usual form or any other form permitted by the Stock Transfer Act 1963, or approved by the Directors. The instrument of transfer must be signed by or on behalf of the transferor, and if the shares being transferred are not fully paid, by or on behalf of the transferee. 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.

5.8 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 Companies 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 of the Company and the restriction of the transfer of those shares (subject to certain exceptions).

5.9 Untraced shareholders

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

5.10 General meetings

An annual general meeting shall be called by at least 21 clear days’ notice. Any other general meeting shall also be called by at least 21 clear days’ notice, unless a shorter period (being not less than 14 clear days’ notice) shall be permitted in accordance with the Statutes.

No business, other than the appointment of a chairman of the meeting, shall be transacted at any general meeting unless a quorum of Shareholders is present. Such quorum shall consist of not less than three Shareholders present in person, by representative (in the case of a corporate Shareholder) or by proxy and entitled to vote.

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. A proxy need not be a shareholder of the Company

The delivery of an appointment of proxy shall not preclude a shareholder from attending and voting at the meeting or at any adjourned meeting.

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

5.11 Number of Directors

Unless the Company determines otherwise by ordinary resolution, the number of Directors (other than alternate Directors) shall be not less than three nor more than six. Two Directors shall constitute a quorum. No shareholding qualification shall be required for a Director.

5.12 Powers of Directors

The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not required to be exercised by the Company in general meeting.

Any Director may appoint any other Director, or any other person approved by the Directors and willing to act, to be an alternate Director.

5.13 Voting at board meetings

The Directors may meet together for the despatch of business, adjourn and otherwise regulate meetings as they think fit, and determine the quorum necessary for the transaction of business. All business transacted by the Directors may be deemed to be validly effected notwithstanding that fewer than two Directors or alternate Directors are physically present at the same place. Questions arising at any meeting shall be decided by a majority of votes. In the case of a deadlock, the Chairman shall have the casting vote.

5.14 **Restrictions on voting**

Subject to certain exceptions, a Director shall not vote on, nor be counted in the quorum in relation to any resolution relating to any transaction or arrangement in respect of which he is required to make a declaration of interest.

For the purposes of the restrictions on voting, there shall be treated as interests of the Director in question any interest of a person connected with him.

The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any of the provisions relating to the restrictions on Directors voting and counting in the quorum.

5.15 **Directors' interests**

Subject to the provisions of the Companies 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.

5.16 **Borrowings**

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking property and uncalled capital and subject to the Statutes to issue debentures, debenture stocks and other securities, whether outright or as collateral security for any debt, liability, or obligation of the Company or of any third party.

5.17 **Indemnity**

Subject to the provisions of the Companies Act, the Company may indemnify any person who is a Director or other officer of the Company, of the assets of the Company from and against any loss, liability or expense incurred by him or them in relation to the Company or any associated company of the Company; and purchase and maintain insurance for any person who is a Director or other officer 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 or officer.

5.18 **Continuation vote**

The Directors have convened the General Meeting for 26 June 2023 at which a special resolution will be proposed to amend the Existing Articles to remove the current article relating to the Company's continuation vote which is follows:

"At the annual general meeting of the Company to be held in 2025, the Directors shall propose an ordinary resolution that the Company continue in existence as a closed-ended investment company (the "**Continuation Resolution**"). If passed, a similar ordinary resolution will be proposed at every fifth annual general meeting thereafter. In the event that a Continuation Resolution is not passed, the Directors shall formulate proposals to be put to Ordinary Shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up with the aim of enabling Ordinary Shareholders to realise their holdings in the Company as soon as is practicable but, in any event, within six months of the Continuation Resolution not being passed."

and replacing such article with the following new article:

"At the annual general meeting of the Company to be held in 2028, the Directors shall propose an ordinary resolution that the Company continue in existence as a closed-ended investment company (the "**Continuation Resolution**"). If passed, a similar ordinary resolution will be proposed at every fifth annual general meeting thereafter. In the event that a Continuation Resolution is not passed, the Directors shall formulate proposals to be put to Ordinary Shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up with the aim of enabling Ordinary Shareholders to realise their holdings in the Company as soon as is practicable but, in any event, within six months of the Continuation Resolution not being passed."

6. UK CITY CODE ON TAKEOVERS AND MERGERS

6.1 Mandatory bid

The Takeover Code applies to the Company.

Given the existence of the buyback powers described in this Prospectus, there are certain considerations that Shareholders should be aware of with regard to the Takeover Code.

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

Under Rule 37 of the Takeover Code when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code. A shareholder who is neither a director nor acting in concert with a Director will not normally incur an obligation to make an offer under Rule 9 of the Takeover Code in these circumstances.

However, under note 2 to Rule 37 of the Takeover Code where a shareholder has acquired shares at a time when he had reason to believe that a purchase by the company of its own voting shares would take place, then an obligation to make a mandatory bid under Rule 9 of the Takeover Code may arise.

The buyback powers could have implications under Rule 9 of the Takeover Code for Shareholders with significant shareholdings. The buyback powers should enable the Company to anticipate the possibility of such a situation arising. Prior to the Board implementing any share buyback the Board will seek to identify any Shareholders who they are aware may be deemed to be acting in concert under note 1 of Rule 37 of the Takeover Code and will seek an appropriate waiver in accordance with note 3 of Rule 37. However, neither the Company, nor any of the Directors, nor the Proposed Manager will incur any liability to any Shareholder(s) if they fail to identify the possibility of a mandatory offer arising or, if having identified such a possibility, they fail to notify the relevant Shareholder(s) or if the relevant Shareholder(s) fail(s) to take appropriate action.

If an offer is made for the shares or any class of shares in the capital of a company and if, within 4 months after the date of such offer, the offer is approved by shareholders comprising 90 per cent. in value of the shares affected (excluding any shares held as treasury shares) then the offeror may, within 2 months after the expiration of those 4 months, send an acquisition notice to any dissenting shareholders informing them that it wishes to acquire their shares (an "Acquisition Notice"). Where an Acquisition Notice is given, the offeror is then entitled and bound to acquire those shares on the terms on which the original offer, approved by the shareholders comprising 90 per cent. in value of the shares affected, was made.

6.2 Tender offer

Singer Capital Markets (as principal) will purchase Ordinary Shares under the Tender Offer which could result in Singer Capital Markets owning 30 per cent. or more of the issued share capital of the Company. Singer Capital Markets has undertaken that, immediately subsequent to such purchase, it will sell all those Ordinary Shares to the Company at the Tender Price as provided in the Repurchase Agreement or to Incoming Shareholders pursuant to the Matched Bargain Facility and will, upon Completion, no longer hold an interest in Ordinary Shares exceeding 30 per cent of the total voting rights of the Company.

7. MATERIAL CONTRACTS OF THE COMPANY

Save as described below, no member of the Group has: (i) entered into any material contracts (other than contracts in the ordinary course of business) within the two years preceding the date of this document; or (ii) entered into any contracts (other than contracts in the ordinary course of business) that contain provisions under which any member of the Group has any obligation or entitlement that is material to the Group as at the date of this document.

7.1 Placing and Sponsor Agreement

The Placing and Sponsor Agreement dated 9 June 2023 between the Company, the Sponsor, SCM Securities and the Proposed Manager whereby the Sponsor has agreed to act as sponsor to the

Issue and SCM Securities has agreed to act as settlement agent in respect of the Placing (including the Matched Bargain Facility) and as intermediaries offer adviser in respect of the Intermediaries Offer.

The obligations of the Sponsor and Settlement Agent under the Placing and Sponsor Agreement are conditional on, *inter alia*, Admission.

In consideration for their services in relation to the Issue, the Sponsor and SCM Securities are entitled to a corporate finance fee.

Under the Placing and Sponsor Agreement, which may be terminated by the Sponsor or SCM Securities in certain circumstances prior to Admission, the Company and the Proposed Manager have given certain warranties and indemnities to the Sponsor and SCM Securities. These warranties and indemnities are customary for an agreement of this nature.

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

7.2 **Repurchase Agreement**

A Repurchase Agreement between the Company and SCM Securities dated 9 June 2023, the Company has agreed to purchase, and SCM Securities has agreed to sell to the Company, as an on-market purchase and at a price per Ordinary Share equal to the Tender Price, all of the Ordinary Shares purchased by Singer Capital Markets pursuant to the Tender Offer other than those Ordinary Shares to be sold to Incoming Shareholders pursuant to the Matched Bargain Facility, such purchase and sale to be completed immediately following the purchase of those Ordinary Shares by Singer Capital Markets.

The Repurchase Agreement contains representations and warranties from the Company in favour of Singer Capital Markets.

The Repurchase Agreement also contains certain representations and warranties from Singer Capital Markets in favour of the Company concerning its authority to enter into the agreement and to make the purchase of Ordinary Shares pursuant to the Tender Offer.

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

7.3 **Investment Management Agreement**

An Investment Management Agreement dated 9 June 2023 between the Company and the Proposed Manager, pursuant to which, conditional on and with effect from Completion of the Tender Offer, the Proposed Manager is appointed to act as investment manager of the Company with responsibility to manage the assets of the Company and to advise the Company on a day to day basis in accordance with the investment policy of the Company and subject to the overall control and supervision of the Board.

The Investment Management Agreement is terminable by either the Proposed Manager or the Company giving to the other not less than twelve (12) months' written notice, such notice not to expire earlier than the date falling four years from the date on which the Tender Offer becomes unconditional in all respects.

The Investment Management Agreement may be terminated earlier by the Company with immediate effect by giving written notice to the Proposed Manager upon the occurrence of certain events, including insolvency, if the Proposed Manager ceases to be authorised for the purposes of FSMA or in the event of a material breach which fails to be remedied within 30 days of receipt of notice.

Under the terms of the Investment Management Agreement, the Proposed Manager is entitled to the fees set out in Part 3 of this Prospectus under the sub-heading "*Ongoing annual expenses*". The Proposed Manager is also entitled to reimbursement of all reasonable expenses incurred by it in the performance of its duties.

Under the Investment Management Agreement, the Proposed Manager shall not be liable to the Company for any loss, claim, costs, charges and expenses, liabilities or damages arising out of the proper performance by the Proposed Manager of its obligations under the agreement unless resulting from the negligence, wilful default, or fraud of the Proposed Manager or a notified breach of the agreement by the Proposed Manager. The Company has also provided an indemnity in favour of the Proposed Manager in respect of the Proposed Manager's potential losses in carrying out its responsibilities under the Investment Management Agreement. The exemptions from liability and indemnities are standard market practice for contracts of this type.

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

7.4 **Administration and Company Secretarial Agreement**

Under the terms of the Administration and Company Secretarial Agreement between the Company and the Administrator dated 5 November 2020, the Administrator has agreed to provide certain administrative services to the Company (including bookkeeping and the preparation of accounts).

Under the terms of the Administration Agreement, the Administrator is entitled to be paid fees as set out under the heading “*Ongoing annual expenses*” in Part 3 (*Directors, Management and Administration*) of this document.

The Administration Agreement provides for the Administrator, its officers, employees and agents to be indemnified by the Company against any losses incurred by any of them as a result of the Company’s negligence, wilful default, fraud, fraudulent misrepresentation or breach of the agreement. The Administrator’s liability under the Administration Agreement is limited.

The Administration Agreement may be terminated on twelve months’ written notice and may be terminated earlier in certain circumstances.

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

7.5 **Registrar Agreement**

The Registrar Agreement between the Company and the Registrar dated 22 January 2018, pursuant to which the Registrar has been appointed as registrar to the Company.

Under the terms of the Registrar Agreement, the Registrar is entitled to be paid fees as set out under the heading “*Ongoing annual expenses*” in Part 3 (*Directors, Management and Administration*) of this document.

The Registrar Agreement may be terminated on twelve months’ notice and is also terminable on written notice in the event of, *inter alia*, breach of the agreement (which has not been remedied within 30 days’ written notice of such breach) or insolvency. The Company has given certain market standard indemnities in favour of the Registrar in respect of the Registrar’s potential losses in carrying on its responsibilities under the Registrar Agreement. The Registrar’s liability under the Registrar Agreement is subject to a cap.

The Registrar 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 25 April 2023, pursuant to which the Receiving Agent has agreed to provide receiving agent duties and services to the Company in respect of the Issue and the Tender Offer.

Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to fees in connection with the Issue and the Tender Offer including: (a) a management fee; (b) processing fees per item processed per application form; and (c) various other fees in relation to certain matters. The Receiving Agent is also entitled to reimbursement of all out-of-pocket expenses reasonably incurred by it in connection with its duties.

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

7.7 **Custody Agreement**

The Custody Agreement between the Company and the Custodian dated 1 February 2018 pursuant to which the Custodian has agreed to provide investment advisory and dealing services together with related valuation and safe custody services in respect of the Company’s investments.

Under the terms of the Custody Agreement, the Custodian is entitled to be paid fees as set out under the heading “*Ongoing annual expenses*” in Part 3 (*Directors, Management and Administration*) of this document.

The Custody Agreement contains certain customary undertakings and indemnities by the Company in favour of the Custodian.

The Custody Agreement is governed by English law.

8. RELATED PARTY TRANSACTIONS

Save for the entry into the Proposed Director's letter of appointment, the Company has not entered into any related party transaction since the date of the last financial statements.

9. LITIGATION

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company and/or the Group.

10. WORKING CAPITAL

The Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements, that is for at least 12 months from the date of this Prospectus.

11. 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 1 of this Prospectus.

In the event of a breach of the investment policy set out in Part 1 of this Prospectus and the investment restrictions set out therein which the Board considers to be material, notification will be made to a Regulatory Information Service.

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

12. REGULATORY DISCLOSURES

In the 12-month period prior to the date of this Prospectus, the Company disclosed the following information under the UK Market Abuse Regulation which is relevant as at the date of this Prospectus:

Nature of information	Date of release
Strategy	
Update regarding Proposals	9 June 2023
Proposed appointment of Investment Manager, proposed board changes, proposed purchase by the Company of its own ordinary shares	30 March 2023
Release of financial information	
Half-year report for the 6-month period ended 31 December 2022	20 February 2023
Annual results announcement for the year ended 30 June 2022	23 September 2022
NAV updates	
NAV update	9 June 2023
NAV update	6 April 2023
NAV update	7 March 2023
NAV update	7 December 2022
NAV update	7 November 2022
NAV update	6 October 2022
NAV update	5 September 2022
NAV update	18 August 2022
NAV update	11 July 2022

13. GENERAL

13.1 No application is being made for the Ordinary Shares to be dealt with in or on any stock exchange or investment exchange other than the premium segment of the main market of the London Stock Exchange.

13.2 The Sponsor and SCM Securities have each given and not withdrawn their written consent to the issue of this Prospectus with references to their respective names in the form and context in which such references appear.

- 13.3 The Proposed Manager has given and not withdrawn its written consent to the issue of this Prospectus with references to its name in the form and context in which such references appear.
- 13.4 The Proposed Manager accepts responsibility for and has authorised the inclusion (in the form and context in which it is included) of the information attributed to it in this Prospectus, including without limitation the information contained in Part 2 of this Prospectus and the paragraph entitled “The Proposed Manager” in Part 3 of this Prospectus, and declares that the information attributed to it in this Prospectus is, to the best of its knowledge, in accordance with the facts and the information attributed to it in this Prospectus makes no omission likely to affect its import.
- 13.5 Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. All information in this Prospectus that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 13.6 Shareholders are obliged to comply with the shareholding notification and disclosure requirements set out in Chapter 5 of the DTRs. A Shareholder is required pursuant to Chapter 5 of the DTRs to notify the Company if, as a result of an acquisition or disposal of shares or financial instruments, the Shareholder’s percentage of voting rights of the Company reaches, exceeds or falls below, three per cent. of the Company’s voting rights or any one per cent. threshold above that.

14. AUDITOR

The Auditor is PKF Littlejohn LLP. PKF Littlejohn is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

15. CUSTODIAN

The Custodian is Fiske plc, whose registered office is at 100 Wood Street, London EC2V 7AN. The Custodian is a public limited company incorporated in England and Wales on 21 April 1988 with company registration number 02248663 and its telephone number is +44(0) 207 448 4700. The Custodian maintains its registered office and place of central administration in the United Kingdom. Its LEI is 213800Z5PKJOV7GWXE43. The principal legislation under which the Custodian operates is the Act. The Custodian is authorised and regulated by the FCA.

The principal business of the Custodian is the provision of investment services to retail and professional clients.

16. INTERMEDIARIES

Information with respect to the Intermediaries (including a list of the Intermediaries that have been appointed in connection with the Intermediaries Offer) will be available on the Company’s website at <https://theinvestmentcompanyplc.co.uk>.

17. DOCUMENTS AVAILABLE FOR INSPECTION

17.1 The following documents will be available for inspection at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London, EC2M 7SH during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Prospectus until Admission and shall be available on the Company’s website (<https://theinvestmentcompanyplc.co.uk>):

17.1.1 the Company’s memorandum of association;

17.1.2 the Existing Articles;

17.1.3 the New Articles;

17.1.4 this Prospectus.

Dated 9 June 2023

PART 11

DEFINITIONS

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

“2022 Report and Accounts”	the audited financial statements of the Company for the financial year ended 30 June 2022;
“2023 Half-Year Report”	the unaudited financial statements of the Company for the six months ended 31 December 2022;
“Administration and Company Secretarial Agreement”	the administration and company secretarial agreement dated 5 November 2020 between the Company and the Administrator, a summary of which is set out in paragraph 7.4 of Part 10 of this Prospectus;
“Administrator”	ISCA Administration Services Limited;
“Admission”	admission of the Ordinary Shares to be issued pursuant to the Issue: (i) to trading on the premium segment of the London Stock Exchange’s main market becoming effective in accordance with the LSE Admission Standards; and (ii) to the Official List (premium listing) becoming effective in accordance with the Listing Rules;
“AIC”	the Association of Investment Companies;
“AIC Code”	the AIC Code of Corporate Governance, as amended from time to time;
“AIFM”	alternative investment fund manager;
“AIFMD” or “AIFM Directive”	the European Union’s Alternative Investment Fund Managers Directive (No. 2071/61/EU) and all legislation made pursuant thereto, including, where applicable, the applicable implementing legislation and regulations in each member state of the European Union;
“AIM”	the AIM Market of the London Stock Exchange;
“Annualised Ongoing Charges”	the annualised ongoing charges of the Company calculated in accordance with the methodology published by the Association of Investment Companies from time to time;
“Application”	a valid application for Ordinary Shares pursuant to the Offer for Subscription by way of a completed Online Application or an Application Form;
“Application Form” or “Offer for Subscription Application Form”	the application form for use in connection with the Offer for Subscription which is available for download at https://theinvestmentcompanyplc.co.uk/ ;
“AQSE”	the Aquis Stock Exchange Limited;
“Articles” or “Articles of Association”	the articles of association of the Company from time to time;
“Audit Committee”	the audit committee of the Board;
“Auditor” or “Auditors”	PKF Littlejohn 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 Code, and entities the assets of which are treated as “plan assets” under Section 3(42) of ERISA and any regulations promulgated thereunder;

“ Broker ”	Singer Capital Markets, the Company’s broker;
“ 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;
“ Calculation Date ”	6.00 p.m. on 18 July 2023, or such other date as may be selected by the Directors, being the date and time at which the Company will calculate the Tender Price and the Issue Price;
“ certificated ” or “ in certificated form ”	not in uncertificated form;
“ Circular ”	the circular issued to Shareholders on or around the date of this Prospectus containing details of the Proposals;
“ Chelverton ”	the Proposed Manager;
“ Chelverton Investment Team ”	Chelverton’s investment professionals and the senior team members responsible for providing the investment advisory services, whose profiles are set out in the paragraph entitled “The Proposed Manager” of Part 3 (<i>Directors, Management and Administration</i>);
“ Common Reporting Standard ”	the Common Reporting Standard on Automatic Exchange of Information;
“ Companies Act ”	the UK Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force;
“ Company Secretary ”	ISCA Administration Services Limited;
“ Company ”	The Investment Company plc;
“ Completion of the Tender Offer ”	the time and date upon which the Tender Offer becomes unconditional in all respects;
“ Continuation Conditions ”	together, the Minimum Participation Condition and the Ordinary Shares in Public Hands Condition;
“ 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;
“ CREST Regulations ”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended;
“ Custodian ”	Fiske plc;
“ Custody Agreement ”	the custody agreement between the Company and the Custodian, a summary of which is set out in paragraph 7.7 of Part 10 of this Prospectus;
“ Deferred Shares ”	deferred shares of £0.01 each in the capital of the Company of which none are currently in issue;
“ Directors ” or “ Board ”	the board of directors of the Company including, where the context requires, the Proposed Director;
“ Disclosure Guidance and Transparency Rules ” or “ DTRs ”	the disclosure guidance and transparency rules contained within the FCA Handbook;
“ EBITDA ”	earnings before interest, taxation, depreciation and amortisation;
“ EEA ”	European Economic Area;
“ ERISA ”	US Employee Retirement Income Security Act of 1976, as amended;
“ ESG ”	environmental, social, and corporate governance;

“EU”	the European Union;
“EU Prospectus Regulation”	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;
“Euroclear”	Euroclear UK & International Limited, the operator of CREST;
“EUWA”	European Union (Withdrawal) Act 2018 (as amended);
“Existing Articles”	the Articles of Association of the Company as at the date of this Prospectus;
“FATCA”	the US Foreign Account Tax Compliance Act;
“FCA”	the Financial Conduct Authority;
“FCA Handbook”	the FCA handbook of rules and guidance as amended from time to time;
“FSMA”	the Financial Services and Markets Act 2000 (as amended) and any statutory modification or re-enactment thereof for the time being in force;
“FTSE 100”	the Financial Times Stock Exchange 100 Index comprising the 100 companies listed on the London Stock Exchange with the highest market capitalisation;
“General Meeting”	the general meeting of the Company convened for 11.00 a.m. on 26 June 2023 (or any adjournment thereof);
“Gross Assets”	the gross assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time;
“Group”	the Company and its Subsidiaries from time to time;
“HMRC”	His Majesty’s Revenue and Customs;
“IFRS”	International Financial Reporting Standards;
“Incoming Shareholders”	investors who participate in the Issue;
“Intermediaries”	any intermediary that is appointed by the Company in connection with the Intermediaries Offer and “ Intermediary ” shall mean any one of them;
“Intermediaries Booklet”	the booklet entitled “The Investment Company plc: Intermediaries Offer – Information for Intermediaries” and containing, among other things, the Intermediaries Terms and Conditions;
“Intermediaries Offer”	the offer of Ordinary Shares by the Intermediaries to retail investors;
“Intermediaries Offer Adviser”	Singer Capital Markets Securities Limited;
“Intermediaries Terms and Conditions”	the terms and conditions agreed between the Intermediaries Offer Adviser, the Company and the Intermediaries in relation to the Intermediaries Offer and contained in the Intermediaries Booklet;
“Investment Management Agreement”	the investment management agreement dated 9 June 2023 between the Company and the Proposed Manager, a summary of which is set out in paragraph 7.3 of Part 10 of this Prospectus;
“ISA”	a UK individual savings account;
“Issue”	the issue or sale of Ordinary Shares pursuant to the Placing, the Offer for Subscription and the Intermediaries Offer as described in this Prospectus;
“Issue Price”	the price at which Ordinary Shares are being issued or sold pursuant to the Issue, being the NAV per Ordinary Share on the Calculation Date;

“Latest Practicable Date”	close of business on 7 June 2023, being the latest practicable date prior to the publication of this document to ascertain information contained herein;
“Listing Rules”	the listing rules made by the FCA pursuant to Part VI of the FSMA;
“London Stock Exchange”	London Stock Exchange plc;
“LSE Admission Standards”	the admission and disclosure standards published by the London Stock Exchange;
“Main Market”	the main market of the London Stock Exchange;
“Matched Bargain Facility”	the facility pursuant to which Singer Capital Markets has agreed to sell Ordinary Shares tendered pursuant to the Tender Offer to Incoming Shareholders who wish to acquire Ordinary Shares pursuant to the Placing;
“Member State”	any member state of the European Economic Area;
“MiFID II Product Governance Requirements”	has the meaning given to it on page 22 of this Prospectus;
“Minimum Participation Condition”	the Company receiving valid tender requests pursuant to the Tender Offer up to an amount which, excluding any tendered Ordinary Shares purchased pursuant to the Placing, would result in the Company having sufficient distributable reserves to implement the Tender Offer;
“Money Laundering Regulations”	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) 2017 Regulations S.I. 2017/692, as amended;
“Net Asset Value” or “NAV”	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;
“Net Asset Value per Ordinary Share” or “NAV per Ordinary Share”	at any time the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury) at the date of calculation;
“New Articles”	the proposed new Articles of Association to be adopted upon the passing of Resolution 3 at the General Meeting;
“Offer for Subscription”	the offer for subscription of Ordinary Shares at the Issue Price on the terms set out in Part 8 of this Prospectus;
“Official List”	the Official List of the Financial Conduct Authority;
“Online Application”	the online application process for use in connection with the Offer for Subscription;
“Ordinary Shareholder”	a holder of Ordinary Shares;
“Ordinary Shares”	ordinary shares of £0.50 each in the capital of the Company;
“Ordinary Shares in Public Hands Condition”	the Listing Rule requirement that at least 10 per cent. of the Ordinary Shares of a listed company shall be in “public hands” (as defined in the Listing Rules);
“Placee”	a person acquiring or subscribing for Ordinary Shares under the Placing;
“Placing Confirmation”	has the meaning given to it in paragraph 1.4 of Part 7 of this Prospectus;
“Placing”	a conditional placing of new or existing Ordinary Shares on behalf of the Company in connection with the Issue;

“Placing and Sponsor Agreement”	the agreement between the Company, the Sponsor, SCM Securities and the Proposed Manager; a summary of which is set out in paragraph 7.1 of Part 10 of this Prospectus;
“Portfolio”	the Company’s portfolio of investments;
“Post-Completion NAV”	the NAV on the Calculation Date adjusted by adding: (i) the proceeds of new Ordinary Shares issued pursuant to the Placing, Offer for Subscription and Intermediaries Offer; less (ii) any payment made by the Company to repurchase Ordinary Shares pursuant to the Tender Offer; and less (iii) the Transaction Costs;
“Preference Shares”	fixed rate preference shares of £0.50 in the capital of the Company;
“PROD Sourcebook”	the Product Intervention and Product Governance Sourcebook contained in the FCA Handbook;
“Proposals”	the proposals described in paragraph 1 of Part 1 of this Prospectus;
“Proposed Director”	David Horner;
“Proposed Manager”	Chelverton Asset Management Limited;
“the Prospectus” or “this Prospectus”	this document which is a prospectus prepared in accordance with the UK Prospectus Regulation;
“Prospectus Regulation Rules”	the rules and regulations made by the FCA under Part VI of FSMA;
“Qualifying Shareholders”	Shareholders on the Register at the Tender Offer Record Date with the exclusion of Restricted Shareholders;
“Receiving Agent”	Neville Registrars Limited;
“Receiving Agent Agreement”	the receiving agent agreement dated 25 April 2023 between the Company and the Receiving Agent, a summary of which is set out in paragraph 7.6 of Part 10 of this Prospectus;
“Register”	the register of members of the Company;
“Registrar”	Equiniti Limited;
“Registrar Agreement”	the registrar agreement dated 22 January 2018 between the Company and the Registrar, a summary of which is set out in paragraph 7.5 of Part 10 of this Prospectus;
“Regulation S”	Regulation S promulgated under the US Securities Act;
“Regulatory Information Service” or “RIS”	a regulatory information service authorised by the FCA to release regulatory announcements to the London Stock Exchange;
“Relevant Member State”	each Member State which is bound by the EU Prospectus Regulation;
“Remaining Shareholders”	Shareholders who have not tendered Ordinary Shares pursuant to the Tender Offer;
“Repurchase Agreement”	the agreement between the Company and Singer Capital Markets, a summary of which is set out in paragraph 7.2 of Part 10 of this Prospectus;
“Resolution 1”	the special resolution numbered “1” to be proposed at the General Meeting;
“Resolution 2”	the special resolution numbered “2” to be proposed at the General Meeting;
“Resolution 3”	the special resolution numbered “3” to be proposed at the General Meeting;
“Resolutions”	Resolution 1, Resolution 2 and Resolution 3;
“Restricted Shareholders”	Shareholders who are resident in, or citizens of, a Restricted Territory;

“Restricted Territory”	any of the following territories: Australia, Canada, Japan, the Republic of South Africa and the United States or any other jurisdiction in which the making of the Tender Offer may result in the contravention of any registration or other legal requirement of such jurisdiction;
“SCM Securities”	Singer Capital Markets Securities Limited;
“SDRT”	stamp duty reserve tax;
“Shareholder”	a holder of Ordinary Shares;
“Shares”	Ordinary Shares, Preferred Shares and/or Deferred Shares, as the context requires;
“Singer Capital Markets”	Singer Capital Markets Advisory LLP and/or Singer Capital Markets Securities Limited, as the context requires;
“SIPP”	a UK self-invested personal pension scheme;
“SME”	small and medium-sized enterprise;
“Sponsor”	Singer Capital Markets Advisory LLP;
“Statutes”	the Companies Act, every statutory modification or re-enactment of that act for the time being in force and every other act or statutory instrument for the time being in force concerning limited companies and affecting the Company;
“Sterling, £, pence or p”	the lawful currency of the UK;
“Subsidiaries”	the Company’s subsidiaries from time to time which, as at the date of this Prospectus, are Abport Limited, a private limited company incorporated in England and Wales with registered number 01118346 and New Centurion Trust Limited, a private limited company incorporated in England and Wales with registered number 00216614;
“Takeover Code”	the UK City Code on Takeovers and Mergers;
“Target Market Assessment”	has the meaning given to it on page 22 of this Prospectus;
“Tender Form”	the blue personalised tender form accompanying the Circular for use in connection with the Tender Offer;
“Tender Offer”	the invitation by Singer Capital Markets to Qualifying Shareholders to tender Ordinary Shares for purchase on the terms and subject to the conditions set out in the Circular and the Tender Form;
“Tender Offer Record Date”	6.00 p.m. on 14 July 2023;
“Tender Price”	the price per Ordinary Share at which Ordinary Shares will be purchased under the Tender Offer calculated by dividing the Post-Completion NAV by the Company’s issued Ordinary Share capital at the Calculation Date, adjusted to reflect the number of new Ordinary Shares issued pursuant to the Placing, Offer for Subscription and Intermediaries Offer and the number of Ordinary Shares repurchased by the Company;
“Tendering Shareholders”	Qualifying Shareholders who have validly tendered Ordinary Shares pursuant to the Tender Offer;
“Transaction Costs”	all costs to be incurred or borne by the Company in connection with the Proposals (including a payment for stamp duty on Ordinary Shares purchased from Tendering Shareholders by Incoming Shareholders and the Company), which are estimated to be between £525,000 and £625,000, with the final amount dependent on, <i>inter alia</i> , amounts payable for stamp duty and London Stock Exchange listing fees;
“TTE Instruction”	a transfer to escrow instruction (as defined in the CREST Manual);

“UK AIFM Regime”	the UK’s implementation of the European Union’s Alternative Investment Fund Managers Directive (No. 2071/61/EU) and all legislation made pursuant thereto, including the Alternative Investment Fund Managers Regulations 2013 and any other applicable UK implementing legislation and regulations;
“UK Corporate Governance Code”	the UK Corporate Governance Code as published by the Financial Reporting Council from time to time;
“UK Market Abuse Regulation”	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse as it forms part of the domestic law of the United Kingdom by virtue of the EUWA;
“UK MiFID II Delegated Regulation”	Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive, as it forms part of the domestic law of the United Kingdom by virtue of the EUWA;
“UK MiFID II”	the UK’s implementation of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MiFID), together with the UK version of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (MiFIR), which forms part of the domestic law of the United Kingdom by virtue of the EUWA;
“UK PRIIPs Regulation”	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products, together with its implementing and delegated acts, as they form part of the domestic law of the United Kingdom by virtue of the EUWA;
“UK Prospectus Regulation”	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as it forms part of the domestic law of the United Kingdom by virtue of the EUWA;
“UK Small and Mid-Cap Companies”	companies with shares admitted to listing on the Main Market, the AQSE or to trading on AIM which are not constituents of the FTSE 100 Index;
“UN PRI”	UN Principles of Responsible Investment;
“uncertificated” or “in uncertificated form”	a share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“Underlying Applicants”	investors who wish to acquire Ordinary Shares under the Intermediaries Offer who are clients of any Intermediary;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
“US Code”	US Internal Revenue Code, as amended;
“US Investment Company Act”	US Investment Company Act of 1940, as amended;
“US Person”	a US Person as defined for the purposes of Regulation S;
“US Securities Act”	US Securities Act of 1933, as amended; and
“VAT”	value added tax.

