

This document comprises a prospectus (the “**Prospectus**”) relating to TwentyFour Select Monthly Income Fund Limited (the “**Company**”) prepared in accordance with the Guernsey Prospectus Rules 2008 and the Prospectus Rules made under section 84 of the Financial Services and Markets Act 2000 (“**FSMA**”) and made available to the public for the purposes of section 85 of FSMA. This Prospectus has been approved by and filed with the Financial Conduct Authority and made available to the public in accordance with the Prospectus Rules.

Potential investors are recommended to seek advice from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under FSMA if you are in the United Kingdom or, if not, from another appropriately authorised independent adviser before investing in the Company. Potential investors should also consider the risk factors relating to the Company set out on pages 13 to 22 of this Prospectus.

The Company is a registered closed-ended collective investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission (“**GFSC**”). The GFSC, in granting registration, has not reviewed this document but has relied upon specific warranties provided by Northern Trust International Fund Administration Services (Guernsey) Limited.

TWENTYFOUR SELECT MONTHLY INCOME FUND LIMITED

(a non-cellular company limited by shares incorporated in the Island of Guernsey under the Companies (Guernsey) Law 2008, as amended, with registered number 57985 and registered as a Registered Closed-ended Collective Investment Scheme with the Guernsey Financial Services Commission)

Prospectus relating to the Placing and Offer for Subscription of up to 150 million Ordinary Shares of 1p each and the Placing Programme of a number of Ordinary Shares of 1p each equal to up to 300 per cent. of the Ordinary Shares issued pursuant to the Issue, subject to a maximum of 500 million Ordinary Shares in aggregate

Numis Securities Limited as Sponsor, Broker and Financial Adviser

A registered closed-ended collective investment scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended.

Neither the GFSC nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

The Company, whose registered office appears on page 65 of this Prospectus, and the Directors, whose names appear on page 35 and 75 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect the import of such information.

If you are in any doubt about the contents of this document you should consult your accountant, legal professional advisor or financial adviser.

Application will be made in due course to the Financial Conduct Authority for any Shares issued pursuant to this Prospectus to be admitted to the premium segment of the Official List. Application will also be made to the London Stock Exchange for all such Ordinary Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities. It is expected that Admission will occur, and that unconditional dealings in such shares will commence, at 8.00 a.m. on or around 10 March 2014. The International Security Identification Number (ISIN) for the Ordinary Shares to be admitted to listing and trading is: GG00BJVDZ946.

Prospective investors should read this entire document and, in particular, the matters set out under the heading “Risk Factors” on pages 13 to 22, when considering an investment in the Company.

The Ordinary Shares are not dealt in on any other Recognised Investment Exchange and no other such applications have been made or are currently expected.

Numis Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company in connection with the issue of Ordinary Shares as described in this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Numis Securities Limited or for advising any such person in connection with the issue of Ordinary Shares as described in this Prospectus.

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

The distribution of this Prospectus in certain jurisdictions may be restricted by law. No action has been taken by the Company or Numis Securities Limited that would permit an offer of the Ordinary Shares or possession or distribution of this Prospectus or any other offering or publicity material in any jurisdiction where action for that purpose is required, other than in the United Kingdom. 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.

The Ordinary Shares described in this Prospectus have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or the securities laws of any states of the United States or under any of the relevant securities laws of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan or their respective territories or possessions. Accordingly, the Ordinary Shares may not (unless an exemption from such legislation or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan or their respective territories or possessions. The Company will not be registered under the United States Investment Company Act of 1940 (as amended) and investors will not be entitled to the benefits of such legislation. Persons resident in territories other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to apply for, acquire, hold or dispose of Ordinary Shares.

In particular, the attention of persons resident in the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan is drawn to paragraph 18 of Part 10 of this Prospectus. This Prospectus does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful.

The Company will not pay commission to third parties that advise investors to subscribe for Ordinary Shares in the Company. In relation to the Placing Programme, the Ordinary Shares will be issued to placees at the Placing Programme Price and no commission will be paid to any third parties that advise investors in respect of such issues under the Placing Programme.

This document has been approved by the FCA as a prospectus which may be used to offer securities to the public for the purposes of section 85 FSMA and Directive 2003/7/EC. No arrangement has however been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdictions.

The Company’s AIFM, Phoenix, does not need to comply with the AIFM Rules until the AIFMD Implementation Date, as it benefits from the transitional period provided for in the AIFM Regulations, which runs from 22 July 2013 until the AIFMD Implementation Date. The AIFM will ensure that it notifies the FCA of its intention to market the Company’s shares on or before the AIFMD Implementation Date, in accordance with Regulation 57 of the AIFM Regulations.

The Company is targeting a raising of up to £150 million through the Issue.

18 February 2014

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SUMMARY

Summaries are made up of disclosure requirements known as “**Elements**”. These elements are numbered in sections A-E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for the Ordinary Shares and the Company. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

It is possible that no relevant information can be given regarding a required Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and warnings		
Element	Disclosure requirement	Disclosure
A.1	Introduction and warning	<p>Warning that:</p> <ul style="list-style-type: none"> ● this summary should be read as an introduction to the Prospectus; ● any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor; ● where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and ● civil liability attaches only to those persons who have tabled the summary including any translation thereof but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Consent to use Prospectus in respect of Issue and Placing Programme	Not applicable.

Section B – Issuer										
B.1	Legal and commercial name	TwentyFour Select Monthly Income Fund Limited.								
B.2	Domicile, legal form, legislation and country of incorporation	The Company is a non-cellular company limited by shares, incorporated in the Island of Guernsey under the Law and domiciled in Guernsey.								
B.5	Group structure	Not applicable; the Company is not part of a group.								
B.6	Notifiable interests, different voting rights and controlling interests	<p>The Directors intend to subscribe for the following Ordinary Shares:</p> <table style="width: 100%; border: none;"> <tr> <td></td> <td style="text-align: right;">Ordinary Shares</td> </tr> <tr> <td>Claire Whittet</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>Christopher Legge</td> <td style="text-align: right;">25,000</td> </tr> <tr> <td>Thomas Emch</td> <td style="text-align: right;">25,000</td> </tr> </table>		Ordinary Shares	Claire Whittet	10,000	Christopher Legge	25,000	Thomas Emch	25,000
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Claire Whittet	10,000									
Christopher Legge	25,000									
Thomas Emch	25,000									

		<p>As at the date of this document, there are no persons known to the Company who, directly or indirectly, will be interested in 5.0 per cent. or more of the Company's issued share capital or voting rights on Admission.</p> <p>Major Shareholders will not have any different voting rights from other Shareholders and the Company is not directly or indirectly owned or controlled by any one person.</p>
B.7	Historical Financial Information	Not applicable; the Company does not have any historic financial information as it has not commenced operations.
B.8	Pro forma financial information	Not applicable; this Prospectus does not contain <i>pro forma</i> financial information.
B.9	Profit forecasts	Not applicable; this Prospectus does not contain profit forecasts or estimates.
B.10	Qualifications in the audit report	Not applicable; no audit reports have been published.
B.11	Insufficiency of working capital	Not applicable; the Company is of the opinion that, on the basis that £75 million is raised the working capital available to it is sufficient for the Company's present requirements (that is, for at least twelve months from the publication date of this Prospectus).
B.34	Investment objective and policy	<p>The Company's investment objective is to generate attractive risk adjusted returns, principally through income distributions.</p> <p>The Company's investment policy is to invest in a diversified portfolio of credit securities.</p> <p>The Portfolio may be comprised of any category of credit security, including, without prejudice to the generality of the foregoing, bank capital, corporate bonds, high yield bonds, leveraged loans, payment-in-kind notes and Asset Backed Securities. The Portfolio will include Less Liquid Securities. The Portfolio will be dynamically managed by the Portfolio Manager and, in particular, will not be subject to any geographical restrictions.</p> <p>The Company will maintain a Portfolio diversified by issuer concentration, it being anticipated that the Portfolio will comprise at least 50 Credit Securities once the Portfolio is substantially invested.</p> <p>No more than 5 per cent. of the Portfolio value will be invested in any single Credit Security or issuer of Credit Securities, tested at the time of making or adding to an investment in the relevant Credit Security.</p> <p>Uninvested cash or surplus capital or assets may be invested on a temporary basis in:</p> <ul style="list-style-type: none"> ● Cash or cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a "single A" or higher credit rating as determined by any internationally recognised rating agency selected by the Board which, may or may not be registered in the EU; and ● Any "government and public securities" as defined for the purposes of the FCA Rules. <p>Efficient portfolio management techniques will be employed by the Company, such as currency hedging, interest rate hedging and the use of derivatives to manage key risks such as interest rate sensitivity and to mitigate market volatility. The Company's currency hedging policy will only be used for efficient portfolio management and not to attempt to enhance investment returns.</p>

B.35	Borrowing limits	The Company has the power to borrow in aggregate, subject to its gearing policy, up to 10 per cent. of the Company's NAV at the time of draw down.
B.36	Regulatory status	The Company is not regulated by the FCA or by any financial services or other regulator but, in common with other issuers listed on the Official List, is subject to the Listing Rules of the UK Listing Authority applicable to closed-ended collective investment funds and the Disclosure and Transparency Rules made by the FCA and is bound to comply with applicable laws including the Law and FSMA. The Company is registered as a closed-ended collective investment scheme under the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended and the Registered Collective Investment Scheme Rules 2008 made thereunder.
B.37	Typical investor	Typical investors for whom Ordinary Shares are intended are professionally advised private investors or institutional investors seeking principally income returns from a portfolio of Credit Securities.
B.38	Significant exposure	Not applicable; no more than 5 per cent. of the Portfolio value will be exposed to any single Credit Security or issuer of Credit Securities, tested at the time of making or adding to an investment in the relevant Credit Security.
B.39	Investment of 40% or more in single underlying asset or investment company	<p>The Company will not invest more than 10 per cent., in aggregate, of the value of its total assets in other closed-ended investment funds that are listed on the Official List, except where the closed-ended investment funds themselves have published investment policies to invest no more than 15 per cent. of their total assets in other closed-ended investment funds that are admitted to the Official List. The Company will not invest more than 15 per cent., in aggregate, of the value of its total assets in other closed-ended investment funds that are listed on the Official List.</p> <p>No investment will be made in any company, fund or security where TwentyFour acts as the portfolio manager or equivalent without the prior approval of the Board.</p>
B.40	Service providers	<p>TwentyFour acts as the Portfolio Manager under the Portfolio Management Agreement dated on or around the date of this Prospectus. Under the terms of the Portfolio Management Agreement, TwentyFour provides discretionary portfolio management services to the Company for an annual fee equal to 0.75 per cent. of, in respect of each class of Shares that are: (i) listed or admitted to trading on any stock exchange, the lower of the NAV and the market capitalisation of that class of Shares; and/or (ii) not listed or admitted to trading on any stock exchange, the NAV of that class of Shares, plus, in each case any applicable VAT. The fee is payable on the last Business Day of each month or on the date of termination of the Agreement.</p> <p>The Board has approved the appointment of Phoenix as the Company's AIFM and the parties have agreed the terms of the Alternative Investment Fund Management Agreement, under which Phoenix agrees to provide the services of an AIFM in compliance with the AIFMD Rules. Under the terms of the AIFM Agreement, Phoenix is obliged to obtain the FSMA Part 4A permission of "managing an AIF" from the FCA by 22 July 2014. A periodic fee will be payable by the Company to the AIFM to be calculated as percentages of the Company's net assets, subject to a minimum annual fee of £20,000.</p>

		<p>Northern Trust International Fund Administration Services (Guernsey) Limited is the Administrator under the Administration Agreement and among other things, acts as administrator and company secretary of the Company. The Administrator is entitled to receive an annual fee from the Company under the Administration Agreement, to be calculated as percentages of the Company's net assets, subject to a minimum annual fee of £50,000 in the first year following Admission and £75,000 for each year thereafter. In addition, the Company must also pay the Administrator a fixed annual fee of £25,000 for corporate governance and company secretarial services provided. Fees are payable quarterly in arrears.</p> <p>Northern Trust (Guernsey) Limited acts as custodian for the Company under the Custody Agreement. Northern Trust (Guernsey) Limited is a company incorporated under the laws of the Island of Guernsey, whose registered office is at PO Box 71, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3DA. The fees of Northern Trust (Guernsey) Limited are payable by the Company monthly in arrears and will be a minimum of £8,500 per annum, although the fee may be greater dependent on the level of transaction fees incurred during the year.</p> <p>Computershare Investor Services (Guernsey) Limited has been appointed as registrar to the Company. The Registrar was registered in Guernsey with registration number 50855 on 3 September 2009. Under the terms of the Registrar's Agreement, the Company shall pay the Registrar an initial set up fee of £1,500 together with an annual fee payable monthly in arrears, which will be a minimum of £10,000, although this fee may be greater dependent on the number of transaction fees incurred during the year.</p>
B.41	Service providers' regulatory status	<p>TwentyFour is the Portfolio Manager and is authorised and regulated by the FCA under FSMA with firm reference number: 481888.</p> <p>The Board has appointed Phoenix as the Company's AIFM. Phoenix is obliged under the terms of the AIFM Agreement to obtain the FSMA Part 4A permission of "managing an AIF" by the AIFMD Implementation Date. Phoenix, does not need to comply with the AIFM Rules until the AIFMD Implementation Date, as it benefits from the transitional period provided for in the AIFM Regulations, which runs from 22 July 2013 until the AIFMD Implementation Date.</p> <p>Northern Trust International Fund Administration Services (Guernsey) Limited is the Administrator and is regulated by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, with firm reference number: 10239.</p> <p>Northern Trust (Guernsey) Limited acts as custodian for the Company and is regulated by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, with firm reference number: 33. It is anticipated that on the AIFMD Implementation Date, Northern Trust (Guernsey) Limited will cease acting as custodian and will instead act as depositary to the Company.</p>
B.42	Net asset value calculations	<p>The unaudited NAV per Ordinary Share will be calculated as at the close of business on every Wednesday that is also a Business Day and the last Business Day of every week and the last Business Day of every month and is expected to be announced via an RIS the following Business Day.</p>
B.43	Cross liabilities	<p>Not applicable; the Company is not an umbrella collective investment undertaking.</p>

B.44	Financial Statements	Not applicable; the Company does not have any financial statements as it has not commenced operations.
B.45	Investment Portfolio	Not applicable; the Company has not commenced operations. Following Admission, the Company's investment policy is to invest in a diversified portfolio of Credit Securities.
B.46	Net asset value	Not applicable; the Company has not commenced operations.

Section C – Securities		
C.1	Description of securities	The securities which the Company intends to issue are Ordinary Shares of the Company of 1p each, whose ISIN is GG00BJVDZ946.
C.2	Currency of securities	The Ordinary Shares will be denominated in Sterling and the Issue Price will be payable in Sterling.
C.3	Amount paid up and par value	The Company has 1 fully paid Ordinary Share of 1p par value in issue.
C.4	Rights attaching to the Ordinary Shares	<p>Dividend rights: all Ordinary Shares are entitled to participate in dividends which the Company declares from time to time proportionate to the amounts paid or credited as paid on such Ordinary Shares.</p> <p>Rights as respect to capital: all Ordinary Shares are entitled to a distribution of capital in the same proportions as capital is attributable to them (including on winding up).</p> <p>Voting rights: every Shareholder shall have one vote for each Ordinary Share held by it.</p>
C.5	Restrictions on free transferability of the Ordinary Shares	<p>The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any Share in certificated form or uncertificated form (subject to the Articles) which is not fully paid or on which the Company has a lien provided that this would not prevent dealings in the Shares of that class from taking place on an open and proper basis on the London Stock Exchange.</p> <p>In addition, the Board may refuse to register a transfer of Shares if (i) in the case of certificated Shares (a) it is in respect of more than one class of Shares, (b) it is in favour of more than four joint transferees or (c) it is delivered for registration to the registered office of the Company or such other place as the Board may decide and is not accompanied by the certificate for the Shares to which it relates and such other evidence of title as the Board may reasonably require and (ii) the transfer is in favour of any person, as determined by the Directors, to whom a sale or transfer of Shares, or in relation to whom the sale or transfer of a direct or beneficial holding of Shares, would or might result in (x) the Company being required to register as an investment company under the Investment Company Act, (y) benefit plan investors (“Plan Investors”) (as defined in Section 3(42) of ERISA) acquiring an aggregate interest exceeding 25 per cent. of the value of any equity class in the Company or (z) the assets of the Company being deemed to be assets of a Plan Investor.</p> <p>The Board may decline to register a transfer of an uncertificated Share which is traded through the CREST UK system in accordance with the CREST rules where, in the case of a transfer to joint holders, the number of joint holders to whom uncertificated Shares is to be transferred exceeds four.</p>

C.6	Admission	Applications will be made to the UK Listing Authority and the London Stock Exchange for the Ordinary Shares to be issued pursuant to the Placing and Offer for Subscription and from time to time pursuant to the Placing Programme to be admitted to the premium segment of the Official List under Chapter 15 of the Listing Rules and to trading on the London Stock Exchange's main market for listed securities.
C.7	Dividend policy	The Board believes that following an initial investment period of 3 months, the monthly dividend will be a minimum of 0.5p per Ordinary Share*. The Board intends within the final interim dividend of each financial year to distribute an amount equal to the value of any net income of the Company for that financial year remaining after payment of the monthly dividends.

Section D – Risks		
D.2	Key information on key risks	<p>(a) Shareholders may not get back the full value of their investment and may not receive dividends in line with the Dividend Target because there can be no guarantee that the Company will be able to meet its investment objective or target total return. This is because market risk, such as price volatility due to the global financial crisis and levels of sovereign debt may be materially detrimental to the performance of the Company's investments and the Company may not be able to find sufficient suitably priced investments because such investments do not exist at the time when the Company is investing its Portfolio.</p> <p>(b) The Company may not achieve the Dividend Target and investors may not get back the full value of their investment because it will invest in Credit Securities issued by companies, trusts or other investment vehicles which, compared to bonds issued or guaranteed by governments are generally exposed to greater risk of default in the repayment of the capital provided to the issuer or interest payments due to the Company and which could adversely affect the value of an investment in the Company. The level of defaults in the Portfolio and the losses suffered on such defaults may increase in the event of adverse financial or credit market conditions. As a creditor, the Company's level of protection and rights of enforcement may therefore vary significantly from one country to another, may change over time and may be subject to rights and protections which the relevant borrower or its other creditors might be entitled to exercise, which may result in a reduction in the value of the Portfolio and consequently the Shares.</p> <p>(c) Should the Company elect to enter into hedging arrangements to protect against key investment risks, including the management of Interest Rate Duration, the use of hedging instruments carries risks including the risk that losses on a hedge position reduce the Company's earnings and funds available for distribution to Shareholders.</p> <p>(d) Any changes to the tax status and treatment of the Company, including under the Tax (Exempt Bodies) (Guernsey) Ordinance 1989 (as amended) could affect the value of the Company's investments and its ability to provide returns to Shareholders.</p>

* This is a target only and not a profit forecast. There can be no assurance that this target will be met or that the Company will make any distributions at all. This target return should not be taken as an indication of the Company's expected or actual current or future results. The Company's actual return will depend upon a number of factors, including but not limited to the size of the Issue and the Company's total expense ratio. Potential investors should decide for themselves whether or not the return is reasonable and achievable in deciding whether to invest in the Company. See further under paragraph 1.5 of the "Risk Factors".

		<p>(e) The Company may hold investments such as bank loans directly. Since they are held outside the custody network, they may be less well protected than if they were held in custody by the Custodian or Depository (as applicable). If such investments were lost, this would lead to a reduction in the value of the Portfolio and consequently the Shares.</p> <p>(f) Changes in law or regulations may have a material adverse effect on the Company's business, investments and performance. If the FCA refuses to grant Phoenix the FSMA Part 4A permission of "managing an AIF" and the Company has not appointed another person to act as AIFM of the Company by 22 July 2014 then TwentyFour could be deemed to be the Company's AIFM or the Company could be deemed to be its own AIFM, and following 22 July 2014 could have to cease all marketing of its Ordinary Shares in the UK until it had appointed an AIFM authorised by the FCA to market under the AIFM Regulations. If the Company had to cease the marketing of its Shares this could reduce its ability to acquire new investments and therefore its profitability.</p> <p>(g) The Directors have been advised that the Company is not an open-ended investment company as defined in FSMA. If the Company were held to be an open-ended investment company it would be subject to additional regulatory costs and the marketing of the Shares in the UK would be subject to additional restrictions which could adversely affect the value of the Shares and the returns to Shareholders.</p>
<p>D.3</p>	<p>Key information on key risks</p>	<p>(a) It is not guaranteed that Shareholders will receive dividends and/or be able to redeem or repurchase their shares because this is subject to a statutory solvency test prescribed by the Law.</p> <p>(b) Shareholders might not be able to realise the full value of their investment because the price of shares in an investment company is determined by the interaction of supply and demand for those shares in the market, the share price can fluctuate and may represent a discount to the Net Asset Value per Ordinary Share.</p> <p>(c) Conversely, the price of shares in an investment company may represent a premium to the Net Asset Value per Ordinary Share, so that investors purchasing such shares in such circumstances may not realise the full extent of their purchase price in the event of the winding up of the Company.</p> <p>(d) It is possible that there may not be a liquid market in the Ordinary Shares and Shareholders may have difficulty in selling such shares, and so may not be able to realise their investments and the Company may not be able to pay dividends to Shareholders or buy back Ordinary Shares under the Quarterly Tenders.</p> <p>(e) Shareholders may not be able to tender their Shares to the Company successfully on a quarterly basis, and so may not be able to realise their investments and cannot rely on being able to realise their investments within a reasonable period under the Quarterly Tenders.</p> <p>(f) It is not guaranteed that Shareholders can realise their investments because the making and timing of any buy backs of Ordinary Shares will be at the absolute discretion of the Board and not at the option of the Shareholders, is expressly subject to the Company having sufficient surplus cash resources available (and being able to pass the statutory solvency test prescribed by the Law) and will not be available during those periods immediately preceding the publication of annual and interim results.</p>

Section E – Offer

<p>E.1</p>	<p>Net proceeds and expenses</p>	<p>Up to 150 million Ordinary Shares are available to be placed or issued (as applicable) on behalf of the Company pursuant to the Placing and the Offer for Subscription at the Issue Price to raise £150 million before expenses. Assuming that the Issue is fully subscribed, and the expenses of the Issue are £2,881,439, the net proceeds of the Issue will be £147,118,561 (inclusive of applicable VAT).</p> <p>Assuming that £350 million is raised under the Placing Programme before expenses and a Placing Programme Price of 100 pence per New Ordinary Share, the gross proceeds of the Placing Programme would be £350 million, the costs of the Placing Programme are estimated at £4,181,353 million and the net proceeds of the Placing Programme would therefore be £345,818,647 million. Under the Placing Programme, each New Ordinary Share will be made available to investors at a price calculated by reference to the estimated cum income Net Asset Value of each existing Ordinary Share together with a premium intended to cover the costs and expenses of the placing pursuant to the Placing Programme (including, without limitation, any placing commissions) and the initial investment of the amounts raised.</p>
<p>E.2</p>	<p>Use of proceeds</p>	<p>The Issue is intended to raise money for investment in accordance with the Company's investment policy.</p>
<p>E.3</p>	<p>Terms and conditions of the Issue and the Placing Programme</p>	<p>The Issue consists of a placing and an offer for subscription of Ordinary Shares which are being issued at 100p per Ordinary Share. The total number of Ordinary Shares issued under the Placing and Offer for Subscription will be determined by the Company, Numis and the Portfolio Manager after taking into account demand for the Ordinary Shares and prevailing economic and market conditions, subject to a maximum of 150 million Ordinary Shares. The Ordinary Shares issued pursuant to the Issue will be issued on 10 March 2014. The Issue is only available to investors who can make certain warranties and representations as to their status as an investor, including that they are not a U.S. Person. The Placing is only available to persons of a kind described in paragraph 5 of Article 19 and paragraphs 2(a) to (d) of Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.</p> <p>Each investor under the Offer for Subscription is required to undertake to pay the Issue Price for the Ordinary Shares issued to such investor by cheque or bankers' draft or by electronic interbank transfer. Applications under the Offer for Subscription must be for a minimum of 1,000 Ordinary Shares (representing a subscription price of £1,000) and thereafter in multiples of 100 Ordinary Shares. The Directors may, in their absolute discretion, after taking into account the demand for Ordinary Shares under the Placing and Offer for Subscription and economic and market conditions, waive the minimum initial subscription requirement in respect of any particular application under the Offer for Subscription.</p> <p>An investor applying for Ordinary Shares under the Issue may elect to receive Ordinary Shares in uncertificated form, if such investor is a system-member in relation to CREST, or in certificated form. Definitive certificates in respect of the Ordinary Shares issued in certificated form are expected to be despatched during the week commencing 24 March 2014.</p> <p>The Company intends to issue pursuant to the Placing Programme a number of Ordinary Shares equal to up to 300 per cent. of the number of Ordinary Shares issued pursuant to the Issue, provided that such number of Ordinary Shares to be issued pursuant to the Placing</p>

		<p>Programme may not exceed 500 million in aggregate with those Ordinary Shares issued pursuant to the Issue. The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Ordinary Shares over a period of time.</p> <p>The issue of New Ordinary Shares under the Placing Programme will be at the discretion of the Directors. The minimum subscription pursuant to the Placing Programme is intended to be £50,000.</p> <p>Each investor is required to undertake to make payment for New Ordinary Shares issued to such investor pursuant to the Placing Programme in such manner as shall be directed by Numis.</p> <p>An investor applying for New Ordinary Shares in the Placing Programme may elect to receive New Ordinary Shares in uncertificated form, if such investor is a system-member in relation to CREST, or certificated form. Where applicable, definitive certificates in respect of the New Ordinary Shares are expected to be dispatched by post to the relevant holders no later than ten Business Days after the relevant issue date.</p>
E.4	Interests material to the Issue and the Placing Programme	Not Applicable; there are no interests that are material to the Issue or the Placing Programme.
E.5	The offeror	The Ordinary Shares are being offered by the Company.
E.6	Dilution	<p>The Company only has one issued Ordinary Share which will be transferred to a placee under the Placing.</p> <p>In the event that £350 million is raised under the Placing Programme at a Placing Programme Price of 100 pence per New Ordinary Share and assuming that £150 million is raised pursuant to the Issue before expenses, an existing Shareholder holding shares representing 5 per cent. of the Company's issued Ordinary Share capital, who does not participate in the Placing Programme, would, following the completion of the Placing Programme, hold shares representing approximately 1.5 per cent. of the Company's issued Ordinary Share capital.</p>
E.7	Expenses	<p>Investors will not be charged a fee in addition to the Issue Price in order to subscribe for Ordinary Shares under the Issue, as the Issue Expenses will be met out of the proceeds of the Issue. Assuming that the Issue is fully subscribed, and the expenses of the Issue are £2,881,439, the net proceeds of the Issue will be £147,118,561 (inclusive of applicable VAT). The Issue Expenses are therefore an indirect charge to investors.</p> <p>The Placing Programme Price will include a premium intended to cover the costs and expenses of placing pursuant to the Placing Programme (including, without limitation, any placing commissions) and the initial investment of the amounts raised. By way of illustration, assuming an initial NAV of 98p, the Placing Programme Price would be expected to be approximately 100p, and the expenses borne by the investor would therefore be 2p.</p>

PART 1: RISK FACTORS

Prospective investors should consider carefully the following risk factors in addition to the other information presented in this Prospectus. If any of the risks described below were to occur, it could have a material effect on the Company's business or financial condition or the results of its operations. Additional risks not currently known to the Company, or that the Company currently believes are not material, may also adversely affect its business, its financial condition and the results of its operations. The value of the Ordinary Shares could go down due to any of these risk factors, and investors could lose part or all of their investment.

1. The Company

The Company is an investment company. Investment companies aim to generate returns for their shareholders by investing in other companies. As an investment company may invest in a range of different companies and sectors, it may represent a method for investors to gain a diversified investment exposure. However, prospective investors should be aware of certain factors which apply to the Company and to investment companies generally.

1.1 Competing investment products

The presence of competing investment products may reduce demand for Ordinary Shares in the Company and hence increase any discount, or reduce or eliminate any premium to Net Asset Value per Share at which the Ordinary Shares may trade and so Shareholders may not be able to realise all or the full value of their investment.

1.2 Past performance not a guide to future performance

The value of an investment in the Company, and the income derived from it, if any, may go down as well as up, there can be no guarantee that the investment objective of the Company and/or the target total return set out in this Prospectus will be met. Shareholders may not get back the full value of their investment.

1.3 No operating history

An investment in the Company is subject to all the risks and uncertainties associated with a new business as it was incorporated on 12 February 2014, has not commenced operations and has no operating history. In addition, no historical financial statements or other meaningful operating or financial data upon which prospective investors may base an evaluation of the likely performance of the Company have been prepared and there is therefore a risk that the value of an investment in the Company could decline substantially as a consequence.

1.4 Company's ongoing expenses

The Company's ongoing expenses may represent a greater proportion of the Company's assets and/or income than originally anticipated, which could have a material adverse effect on the Company's return to Shareholders. The Company will incur obligations to pay all fees and properly incurred out-of-pocket expenses by the Directors, the Portfolio Manager, its AIFM, the Administrator, the Custodian or Depositary, the Registrar and other advisers. These expenses will be payable regardless of whether the Company makes a profit.

1.5 Company's ability to pay dividends

It is not guaranteed that Shareholders will receive dividends and/or be able to redeem or repurchase their Shares because the Company is a non-cellular company limited by shares incorporated in the Island of Guernsey and its ability to pay dividends, distributions or repurchase its shares is governed by the Law which requires the Company to satisfy the prescribed statutory solvency test (by contrast to UK companies which are required to satisfy capital maintenance requirements and pay distributions from distributable reserves). The solvency test requires the directors of a company to carry out a liquidity or cashflow test and a balance sheet solvency test before any dividend, distribution, repurchase or redemption payment can be made. The test requires the board to make a future assessment of solvency by making reference to the solvency test being satisfied immediately after a distribution, repurchase or redemption payment is made. If at the time a dividend, distribution, repurchase or redemption payment is to be made the directors believe that the solvency test cannot be passed, then no payment may be made.

In addition, the Company's ability to pay dividends is affected by a number of factors but principally by its ability to receive sufficient cash flow from its investments, which is expected to comprise coupons from Credit Securities, returns of principal from Credit Securities which have matured and

from secondary market sales of Credit Securities. The ability of the Company to receive cash flow from its investments is subject to applicable local laws and regulatory requirements. In addition, there may be other restrictions including, but not limited to, applicable tax laws.

1.6 No guarantee that the Company will find suitably priced investments

It is the intention of the Directors that, subject to market conditions, the Company will, in respect of the Net Proceeds, be substantially invested or committed in accordance with its investment policy within 3 months of Admission. However, there can be no guarantee that the Company will find sufficient investments at suitable prices for it to be substantially invested within 3 months of Admission because such investments do not exist at the time when the Company is investing its Portfolio and therefore the Company may not be able to deliver the Dividend Target and Shareholders may not get back the full value of their investment.

2. The Ordinary Shares

2.1 Price of Shares

Shareholders might not be able to realise the full value of their investments because the price of shares in an investment company is determined by the interaction of supply and demand for such shares in the market as well as the Net Asset Value per share. The share price can therefore fluctuate and may represent a discount to the Net Asset Value per share. This discount is itself variable as conditions for supply and demand change. This can mean that the prices of the Company's shares may go down as well as up and the Share prices can fall when the Net Asset Value per share rises, or vice versa. There is no guarantee that the market price of the Shares will fully reflect their underlying Net Asset Value.

The price of shares in an investment company may represent a premium to the net asset value per share. Investors purchasing Ordinary Shares at a premium to Net Asset Value per Share may not, in the event of the winding up of the Company, realise the full extent of their purchase price. The Company has taken the authority to issue Ordinary Shares with a view, *inter alia*, to limiting the premium to Net Asset Value per Ordinary Share, but such issues are at the absolute discretion of the Board and there is no guarantee that Ordinary Shares in the market will be available at prices close to Net Asset Value per Ordinary Share.

2.2 Market liquidity of Shares

Shareholders might not be able to realise their investment because market liquidity in the shares of investment companies is frequently inferior to the market liquidity of shares issued by larger companies traded on the London Stock Exchange. Although it is expected that the Ordinary Shares will be traded on the London Stock Exchange's market for listed securities, it is possible that there may not be a liquid market in the Ordinary Shares and Shareholders may have difficulty in selling the Ordinary Shares, and so may not be able to realise their investments and the Company may not be able to pay dividends to Shareholders or buy back Ordinary Shares under the Quarterly Tenders.

2.3 Quarterly Tenders

Shareholders are not guaranteed to be able to have their Shares redeemed or repurchased by the Company because Quarterly Tenders are subject to annual Shareholder approval and the discretion of the Directors and are contingent upon certain factors including, but not limited to the restrictions as discussed further in paragraph 17.2 of Part 5 of this Prospectus and therefore Shareholders should not rely on being able to realise their investment by way of Quarterly Tenders within a reasonable period.

In addition, the securities laws of certain jurisdictions may restrict the Company's ability to allow Shareholders to participate in any Quarterly Tenders or redemption offers. There can be no assurance that the Company will be able to conduct any Quarterly Tenders or redemption offers in a manner that would enable participation therein, or receipt of the cash proceeds thereof, by Shareholders in such jurisdictions. Shareholders who have a registered address in or who are resident or located in (as applicable) a jurisdiction other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to participate in any Quarterly Tenders or redemption offers.

A Shareholder could be required to make a general offer to all remaining Shareholders to acquire their Shares under Rule 9 of the Takeover Code, which states that any person who acquires

shares which, taken together with shares already held by him or shares held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights in a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining Shareholders to acquire their shares. Similarly, when any person or persons acting in concert already hold more than 30 per cent. but not more than 50 per cent. of the voting rights of such 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 generally be treated as an acquisition for the purposes of Rule 9 of the Takeover Code. Accordingly, when the Company makes Tender Purchases pursuant to a Quarterly Tender, any resulting increase in the percentage of the voting rights in the Company held by a Shareholder (or Shareholders acting in concert) will be treated as an acquisition in accordance with Rule 37 of the Takeover Code and, if such percentage reaches 30 per cent. of the voting rights in the Company, or if a Shareholder (or Shareholders acting in concert) already hold(s) 30 per cent. of the voting rights in the Company and such percentage shareholding increases further, the relevant Shareholder or Shareholders would be required under Rule 9 to make a general offer to all remaining Shareholders to acquire their Shares.

2.4 Share buybacks

Shareholders may not be able to realise their investment because while the Company has been granted the authority to make market purchases of up to a maximum of 14.99 per cent. of the Ordinary Shares in issue immediately following the Issue, the making and timing of any buybacks will be at the absolute discretion of the Board and not at the option of the Shareholders, and is expressly subject to the Company having sufficient surplus cash resources available (excluding borrowed moneys). In deciding whether to make any such purchases the Directors will have regard to what they believe to be in the best interests of Shareholders as a whole, to the applicable legal requirements which require the Directors to be satisfied on reasonable grounds that the Company will, immediately after any such repurchase, satisfy a solvency test prescribed by the Law and any other requirements in its Articles. In addition, the Listing Rules prohibit the Company from conducting any share buybacks during close periods immediately preceding the publication of annual and interim results.

3. Portfolio Manager

There can be no assurance that the Directors and Phoenix will be able to find a replacement portfolio manager on acceptable terms if the Portfolio Manager resigns or if the Directors or Phoenix terminate the Portfolio Management Agreement. Under the terms of the Portfolio Management Agreement, the Portfolio Manager may resign by giving the Company and Phoenix not less than 12 months' written notice, (or such shorter period of written notice as the Company and Phoenix may accept). The Portfolio Manager shall, from the date such notice expires, cease to make investment decisions on behalf of the Company. The Directors and Phoenix would, in these circumstances, have to find a replacement portfolio manager for the Company and there can be no assurance that such a replacement with the necessary skills and experience could be appointed on terms acceptable to the Company and Phoenix. In this event, the Directors would formulate and put forward to Shareholders proposals for the future of the Company, which may include a change in its investment policy, its merger with another investment company, a reconstruction or winding up.

4. Portfolio

4.1 Market risk

Shareholders may not get back the full value of their investments and may not receive dividends in line with the Dividend Target because the underlying investments comprised in the Portfolio are subject to market risk. The Company is therefore at risk that market events may affect performance and in particular may affect the value of the Company's investments which will be valued on a marked to market basis. Market risk is risk associated with changes in market prices or rates, including interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, national and international political circumstances. While the Company intends to hold a diversified Portfolio of Credit Securities, any of these factors including specific market events, such

as the global financial crisis and levels of sovereign debt, may be materially detrimental to the performance of the Company's investments.

4.2 Reinvestment risk

A key determinant of a bond's yield is the price at which it is purchased and, therefore, when the market price of bonds generally increases, the yield of bonds purchased generally decreases. As such, the overall yield of the Portfolio, and therefore the level of dividends payable to Shareholders, would fall to the extent that the market prices of Credit Securities generally rise and the proceeds of Credit Securities held by the Company that mature or are sold are not able to be reinvested in Credit Securities with a yield comparable to that of the Portfolio as a whole.

4.3 Liquidity

Investments made by the Company may be relatively illiquid and this may limit the ability of the Company to realise its investments and in turn pay dividends to Shareholders or buy back Ordinary Shares under the Quarterly Tenders or in the market. There may be no active market in the Company's interests in Credit Securities. The Company may not have redemption rights in relation to all of its investments. In circumstances where there is no active market in the Company's interests in Credit Securities and the Company is required to provide liquidity for example in order to fund Tender Requests or repay borrowings, the Company may only be able to realise its interest at a discount to the Net Asset Value and at a time when the value of such Credit Securities is depressed because of adverse market conditions. As a consequence, the value of the Company's investments may be materially adversely affected.

4.4 Credit risk

The Company may not achieve the Dividend Target and investors may not get back the full value of their investment because it will invest in Credit Securities issued by companies, trusts or other investment vehicles which, compared to bonds issued or guaranteed by governments are generally exposed to greater risk of default in the repayment of the capital provided to the issuer or interest payments due to the Company and which could adversely affect the value of an investment in the Company. The amount of credit risk is usually measured by the issuer's credit rating which is assigned by one or more internationally recognised rating agencies which, may or may not be registered in the EU. This does not amount to a guarantee of the issuer's creditworthiness but generally provides a strong indicator of the likelihood of default. Securities which have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. There is a risk that an internationally recognised rating agency may assign incorrect or inappropriate credit ratings to issuers. Issuers often issue securities which are ranked in order of seniority which, in the event of default, would be reflected in the priority in which investors might be paid back.

The level of defaults in the Portfolio and the losses suffered on such defaults may increase in the event of adverse financial or credit market conditions.

In the event of a default under a Credit Security, the Company's right to recover under the Credit Security will depend on the ability of the Company to exercise any rights that it has against the borrower under the insolvency legislation of the jurisdiction in which the borrower is incorporated. As a creditor, the Company's level of protection and rights of enforcement may therefore vary significantly from one country to another, may change over time and may be subject to rights and protections which the relevant borrower or its other creditors might be entitled to exercise, which may adversely affect the value of the Portfolio and consequently the Shares.

4.5 Due diligence process

The due diligence process that the Portfolio Manager plans to undertake in connection with its investments may not reveal all facts that may be relevant in connection with an investment resulting in an investment being worth less than originally anticipated by the Portfolio Manager. Before making investments, the Portfolio Manager intends to conduct due diligence to the extent it deems reasonable and appropriate based on the applicable facts and circumstances. The objective of the due diligence process will be to identify attractive investment opportunities. When conducting due diligence, the Portfolio Manager will be expected to evaluate a number of important issues, which may include business, financial, tax, accounting, environmental, regulatory and legal issues in determining whether or not to proceed with an investment.

Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Portfolio Manager will be required to rely on resources available to it, including information

provided by internationally recognised rating agencies which, may or may not be registered in the EU and other independent sources including issuers, originators and investment bank analysts. The due diligence process may at times be required to rely on limited or incomplete information. Accordingly, the Portfolio Manager cannot guarantee that the due diligence investigation it carries out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity.

It should also be noted that there is significant divergence in the terms of the legal documentation used in relation to the Credit Securities, and it may be the case that the terms of that documentation do not create the asset that was intended to be created, for example, Credit Securities may be unsecured, whether because of legal limitations or a failure to create a perfected senior security, or may be subordinated to the claims of other creditors.

Any failure by the Portfolio Manager to identify relevant facts through the due diligence process may cause it to make inappropriate investment decisions, which could have a material adverse effect on the Company's profitability, Net Asset Value and Ordinary Share prices.

4.6 Non-investment grade Credit Securities

The Company may invest in high yield (i.e. non-investment grade) Credit Securities, which are generally considered to be bonds with a rating (provided by internationally recognised rating agencies which, may or may not be registered in the EU) lower than BBB-. High yield bonds have an increased risk of capital erosion due to a higher probability of default by the bond issuer, which may lead to a reduction in the value of the Portfolio and consequently the Shares. Changing market conditions and interest rate levels can also have a larger impact on the values of high yielding bonds than on other bonds.

4.7 Asset Backed Securities

Each Asset Backed Security is typically backed by a pool of assets representing the obligations of a number of different borrowers or debtors (such as mortgage or credit card borrowers for example). In some cases however, the security may be backed by a single asset, for example a mortgage relating to a specific commercial property. The value of an Asset Backed Security can be affected by a number of factors, including: (i) changes in the market's perception of the underlying assets backing the security; (ii) economic and political factors such as interest rates and levels of unemployment and taxation which can have an impact on the arrears, foreclosures and losses incurred with respect to the pool of assets backing the security; (iii) changes in the market's perception of the adequacy of credit support built into the security's structure to protect against losses caused by arrears and foreclosures; (iv) changes in the perceived creditworthiness of the originator of the security or any other third parties to the transaction; (v) the speed at which mortgages or loans within the pool are repaid by the underlying borrowers (whether voluntarily or due to arrears or foreclosures), which may adversely affect the value of the Portfolio and consequently the Shares.

At times of rapid changes in market conditions it may be difficult to value certain Asset Backed Securities and values may fluctuate considerably, with market prices quickly becoming out of date and not reflecting the value which would be realised on a sale of the relevant Asset Backed Securities in such market conditions. The value of the Company's Asset Backed Securities will be determined on a marked to market basis and, accordingly, falls in the market price of Asset Backed Securities will result in a corresponding fall in the Net Asset Value of the Company and the Shares.

Asset Backed Securities that are not backed by mortgages present certain risks that are not presented by mortgage-backed securities such as securities backed by assets such as residential mortgages and commercial mortgages. Primarily, these securities may not have the benefit of the same security interest in the related collateral. Credit card receivables, for example, are generally unsecured. Therefore, there is a possibility that recoveries on defaulted collateral may not, in some cases, be available to support payments on these securities. The risk of investing in these types of Asset Backed Securities is ultimately dependent upon payment of the underlying debt by the debtor.

The investment characteristics of Asset Backed Securities differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, very often monthly or quarterly, and that principal may be prepaid at any time because the underlying loans are often capable of being prepaid at any time.

Investments in subordinated Asset Backed Securities involve greater credit risk of default than the more senior class(es) of the issue or series.

4.8 Loans

Loans in which the Company will invest are subject to credit and liquidity risk. Any Loan may become a defaulted obligation for a variety of reasons, including non-payment of principal or interest, as well as covenant violations by the borrower in respect of the underlying loan documents. A defaulted Loan may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such defaulted Loan. In addition, such negotiations or restructuring may be extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such defaulted Loan. In addition, substantial costs and resources in such situations may be imposed on the lender, further affecting the value of the Loan. The liquidity in defaulted Loans may also be limited, and to the extent that defaulted Loans are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon, which would adversely affect the value of the Portfolio and consequently, the Shares.

The market value of Loans may vary because of a number of factors, including, but not limited to, the financial condition of the underlying borrowers, the industry in which a borrower operates, general economic or political conditions, interest rates, the condition of the debt trading markets and certain other financial markets, developments or trends in any particular industry and changes in prevailing interest rates.

4.9 Assets outside the UK and Guernsey

The Company's investment policy does not contain any geographical investment restrictions and therefore the Company intends to invest in assets outside the UK and Guernsey from time to time. Laws and regulations of countries other than the UK and Guernsey, may impose restrictions that would not exist in the UK or Guernsey. Investments in entities organised outside the UK and Guernsey have their own legal, economic, political, social, cultural, business, industrial and labour environment and may require significant government approvals under corporate, securities, exchange control, foreign investment and other similar laws and may require financing and structuring alternatives that differ significantly from those customarily used in the UK or Guernsey. In addition, governments outside the UK and Guernsey may from time to time impose restrictions intended to prevent capital flight, which may, for example, involve punitive taxation (including high withholding taxes) on certain securities or transfers or the imposition of exchange controls, making it difficult or impossible to exchange or repatriate foreign currency. These and other restrictions may make it impracticable for the Company to distribute the amounts realised from such investments at all or may force the Company to distribute such amounts other than in Sterling and therefore a portion of the distribution may be made in foreign securities or currency. It also may be difficult to obtain and enforce a judgment in a court outside of the UK or Guernsey.

The Company, through due diligence investigations, will analyse information with respect to political and economic environments and the particular legal and regulatory risks in countries outside the UK and Guernsey before making investments, but no assurance can be given that a given political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the Company.

As a separate point, governments outside the UK and Guernsey may introduce new tax laws (e.g. transaction or industry specific taxes) which may change the tax profile of the relevant entity.

4.10 Currency risk

If an investor's currency of reference is not Sterling, currency fluctuations between the investor's currency of reference and Sterling may adversely affect the value of an investment in the Company.

A proportion of the Company's investments will be denominated in currencies other than Sterling. The Company will maintain its accounts and intends to pay distributions in Sterling. Accordingly, fluctuations in exchange rates between Sterling and the relevant local currencies and the costs of conversion and exchange control regulations will directly affect the value of the Company's investments and the ultimate rate of return realised by investors. Whilst the Company intends to

enter into hedging arrangements to mitigate this risk to some extent, there can be no assurances that such arrangements will be entered into or that they will be sufficient to cover such risk.

4.11 Hedging risk

Should the Company elect to enter into hedging arrangements to protect against key investment risks, including the management of Interest Rate Duration, the use of hedging instruments carries risks including the risk that losses on a hedge position reduce the Company's earnings and funds available for distribution to Shareholders and that such losses may exceed the amount invested in such hedging instruments. There is no perfect hedge for any investment, and a hedge may not perform its intended purpose of offsetting losses on an investment and, in certain circumstances, could increase such losses. The Company may also be exposed to the risk that the counterparties with which the Company trades may cease making markets and quoting prices in such instruments, which may render the Company unable to enter into an offsetting transaction with respect to an open position.

Although the Company will select the counterparties with which it enters into hedging arrangements with due skill and care, the residual risk that the counterparty may default on its obligations remains.

5. Borrowings

The Company may borrow money on a short-term basis (being 12 months or less) for liquidity purposes and is likely to have to provide security over the Company's assets or deliver the Company's assets as collateral. Whilst the use of borrowings should enhance the Net Asset Values of the Ordinary Shares where the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. This may further increase the volatility of the Net Asset Value per Ordinary Share. The use of borrowings also exposes the Company to capital risk and interest costs.

The Company also has the ability to use leverage in aggregate of up to 10 per cent. of NAV for short term liquidity purposes. The use of leverage increases the exposure of investments to adverse economic factors such as rising interest rates, severe economic downturns or deteriorations in the condition of an investment or its market. In particular, the Company may be required to realise its interests in Credit Securities to fund the repayment of the Company's borrowings at a time when the value of such Credit Securities is depressed because of adverse market conditions.

Where the Company obtains financing through repurchase transactions or stock lending arrangements, it may be required to transfer assets to its lenders by way of collateral for the borrowed monies. To the extent that the collateral transferred has a greater value than the aggregate amount borrowed from the lender, the Company will have exposure to the credit risk of that lender.

6. Key Individuals

There is no certainty that significant members of TwentyFour will continue to perform the role of portfolio managers throughout the life of the Company. The loss of the services of such members or such members devoting all or a significant part of their business time to their other affairs and activities could have an adverse effect on the Company's performance. The Portfolio Management Agreement provides that if one or more of Gary Kirk and Eoin Walsh cease to be involved in managing the Portfolio pursuant to the Portfolio Management Agreement and are not replaced within 90 days by alternative portfolio managers approved by the Company, then the Company and Phoenix, acting jointly, shall have the right to terminate the Portfolio Management Agreement immediately by giving written notice to the Portfolio Manager.

7. Taxation

The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this Prospectus are those currently available and their value depends on the individual circumstances of investors.

Any change in the Company's tax status, including being treated as tax resident in a jurisdiction other than Guernsey, or any change in taxation legislation could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders, or alter the post-tax returns to Shareholders.

It is intended that the Company will be an offshore fund which has reporting fund status for the purposes of the UK tax regime for offshore funds. A consequence of reporting fund status is that a Shareholder who is treated as holding Shares at the end of a reporting period of the Company is potentially subject to UK taxation on income received by the Company in that period as though it had been distributed to him/her by the Company even if such income is not so distributed to such Shareholder. It is intended that the Company will distribute amounts at least equal to the aggregate UK tax liability for which Shareholders may be liable in respect of distributions actually paid and distributions deemed to be paid pursuant to the UK offshore funds rules but which are not actually paid. In addition, failure of the Company to qualify as a reporting fund may lead to the proceeds of any disposal by a Shareholder of his/her Shares being taxed as income rather than a capital gain. The Company and the Portfolio Manager will review the level of compliance with the requirements imposed by UK tax law which must be fulfilled by a company with reporting fund status.

The amount of distributions and future distribution growth will depend on the Company's underlying Portfolio. Any change or incorrect assumption in the tax treatment of dividends or interest or other receipts received by the Company (including as a result of withholding taxes or exchange controls imposed by jurisdictions in which the Company invests) may reduce the level of distributions received by Shareholders. Prospective investors should refer to the section on taxation in Part 9 of this Prospectus. In addition any change in the accounting policies, practices or guidelines relevant to the Company and its investments may reduce or delay the distributions received by investors. The Company's ability to pay dividends will be subject to the provisions of the Law.

The Board may determine that it would be beneficial to structure the Portfolio so that certain investments are held through a wholly owned subsidiary in another jurisdiction. The incorporation of any subsidiary will cause the Company to incur set-up and ongoing expenses, which will impact the total expense ratio of the Company.

8. Economic Conditions

Changes in underlying economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors can substantially and adversely or favourably affect the Company's prospects and the value of the Portfolio.

9. Accounts

The Company will prepare its accounts in accordance with IFRS. IFRS is subject to change and this may have an affect on the Company's calculation of NAV. Changes in the accounting policies of the Company could adversely affect Shareholders.

To the extent that there are impairments to the value of the Company's investments that are recognised in the Company's accounts under IFRS, this may affect the profitability of the Company (or lead to losses) and affect the ability of the Company to pay dividends.

10. Operational and Regulatory Risk

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect the Company's business, investments and performance. The Company is subject to laws and regulations enacted by national and local government. In particular, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to listed closed-ended collective investment companies which are domiciled in Guernsey. These include compliance with any decision of the GFSC. In addition, the Company is subject to and will be required to comply with certain regulatory requirements applicable to closed-ended investment companies (including continuing obligations) whose shares are listed on the premium segment of the Official List. The Portfolio Manager is authorised and regulated by the FCA.

Any change in the laws and regulations affecting the Company, the Portfolio Manager, the Credit Securities, or following the AIFMD Implementation Date the Company's AIFM, may have an adverse affect on the ability of the Company to carry on its business and pursue its investment policy. Any such changes may also adversely affect the value of the Credit Securities. In such event, the investment returns of the Company may be materially adversely affected.

Control failures, either by the Administrator, the Portfolio Manager or any other of the Company's service providers, including the Company's AIFM, may result in operational and/or reputational problems, erroneous disclosures or loss of assets through fraud, as well as breaches of

regulations. An independent custodian has been appointed by the Company to safeguard such of the assets of the Company as are deposited with it. On the AIFMD Implementation Date it is anticipated that the Custodian will be replaced by the Depositary, who will safekeep financial instruments held on behalf of the Company and will periodically verify the ownership of other investments, including bank loans, which may be held directly by the Company. Assets which are held directly by the Company will be held outside the custody network and may be less well protected than if they were held by the Custodian or Depositary (as applicable). If such investments were lost, this would lead to a reduction in the value of the Portfolio.

With effect from 1 January 2014, the FCA has restricted the promotion of unregulated collective investment schemes and close substitutes to retail investors in the UK. The FCA has confirmed that the restriction will not apply to companies established outside the EEA, where such companies would qualify for approval as an investment trust by the Commissioners for HM Revenue and Customs under section 1158 and 1159 of the Corporation Tax Act 2010 if resident in the UK. In the event that the Company would not meet the criteria for investment trust status if it were resident and listed in the UK, the promotion of its shares to retail investors would be restricted. The Company intends to conduct its affairs so that it will qualify for this exclusion.

11. Conflicts of interest

The Portfolio Manager, the Administrator, the Registrar, Numis, and the Company's AIFM 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 its 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.

12. AIFM Directive

The AIFM Directive entered into force on 21 July 2011 and was implemented in the UK by the AIFM Regulations and amendments to the FCA Handbook, with effect from 22 July 2013, subject, in the case of the Company, to a transitional period running from 22 July 2013 to the AIFMD Implementation Date. The AIFM Directive regulates managers or AIFMs of alternative investment funds (in this paragraph "**AIFs**") which are marketed or managed in the EEA. Each AIF within the scope of the AIFM Directive must have a single AIFM, which is responsible for ensuring compliance with the AIFM Directive.

In order to obtain authorisation as an AIFM, and to be able to manage the AIF, an AIFM with its registered office in the UK will need to comply with various obligations prescribed under the AIFM Rules. The AIFM Directive results in additional burdens being placed on the Company which may create significant additional compliance costs for the Company.

The Board has approved the appointment of Phoenix as the Company's AIFM. Under the AIFM Agreement, Phoenix is obliged to attain the FSMA Part 4A permission of "managing an AIF". Phoenix, does not need to comply with the AIFM Rules until the AIFMD Implementation Date, as it benefits from the transitional period provided for in the AIFM Regulations, which runs from 22 July 2013 until the AIFMD Implementation Date. If the FCA refuses to grant Phoenix that permission by 22 July 2014 and the Company has not appointed another person to act as AIFM of the Company, then TwentyFour could be deemed to be the Company's AIFM or the Company could be deemed to be its own AIFM and, following 22 July 2014 could have to cease all marketing activity until it had appointed an AIFM authorised by the FCA to market in the UK, or notified the FCA of its intention to market its Ordinary Shares in the UK under Regulation 59 of the AIFM Regulations until it had either appointed an AIFM authorised by the FCA to market under the AIFM Regulations. If the Company had to cease the marketing of its Shares this could reduce the Company's ability to acquire new investments and therefore its profitability. The Board intends to monitor the status of Phoenix's application, which is currently being considered by the FCA. If the Board considers that there is a real risk that Phoenix might not attain the Part 4A permission of

“managing an AIF”, the Board intends to enter into arrangements with an alternative service provider that is able and suitable to act as the Company’s AIFM.

Furthermore, in the event that the Board appoints an entity registered in the UK to act as the Company’s AIFM, the AIFM Directive will require that a person is appointed for the AIF to conduct certain cash-monitoring and safekeeping functions, as prescribed under the AIFM Rules, but whose responsibility goes beyond that of the Custodian and will increase the costs of the Company. The Board has approved in principle the appointment of Northern Trust (Guernsey) Limited as the Company’s depositary, and has agreed the terms of its appointment. It is anticipated that the Depositary Agreement will be signed before the AIFMD Implementation Date. However, if the Company, Phoenix and the Depositary do not sign the Depositary Agreement by the AIFMD Implementation Date, Phoenix will be in breach of the AIFM Rules and may not be able to act as the Company’s AIFM. If it appears to the Board that the Depositary Agreement will not be signed by the Company, Phoenix and/or the Depositary, the Board intends to enter into arrangements with an alternative service provider that is able to act as the Company’s Depositary. A supplementary prospectus would be published if required under section 87G of FSMA in respect of this appointment.

EEA Member States may impose stricter rules on the AIFM in respect of the marketing of Ordinary Shares, as the Company is a non-EEA AIF. However, the AIFM Rules do not currently impose stricter rules.

The Board and the Company’s advisers will continue to monitor the progress and likely implications of the AIFM Directive.

PART 2: IMPORTANT INFORMATION

In assessing an investment in the Company, investors should rely only on the information in this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, the Portfolio Manager, Numis or any other person. Neither, the delivery of this document nor any subscription or purchase of Ordinary Shares made pursuant to this document 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 therein is correct at any time subsequent to the date of this document.

1. Regulatory Information

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

Prospective investors should consider carefully (to the extent relevant to them) the notices to residents of various countries set out at page 2 of this document.

2. Investment Considerations

The contents of this document are not to be construed as advice relating to legal, financial, taxation, investment or any other matter.

Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Ordinary Shares;
- any foreign exchange restrictions applicable to the 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 purchase, holding, transfer or other disposal of Ordinary Shares.

Prospective investors must rely upon their own representatives, including their own legal advisors and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

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

As past performance of investments managed and monitored by the Portfolio Manager is not necessarily a guide to future performance and the value of an investment in the Company, and the income derived from it, if any, may go down as well as up, there can be no guarantee that the investment objective of the Company will be met. Therefore investors may not get back the full value of their investment.

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

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

3. Forward Looking Statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward looking statements include matters that are not historical facts and include statements regarding the Company's intentions, beliefs or current expectations.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur. A number of factors could cause

actual results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, the facts described in the “Risk Factors” section of this document.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document reflect the Company’s view with respect to future events as at the date of this document and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s operations and strategy. Save as required by applicable law, or any UK, Guernsey or EU regulatory requirements (including FSMA, the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules) the Company is under no obligation publicly to release the results of any revisions to any forward-looking statements in this document that may occur due to any change in its exceptions or to reflect events or circumstances after the date of this document.

Given these uncertainties, investors and prospective investors are cautioned not to place any undue reliance on such forward-looking statements and should carefully consider the “Risk Factors” section of this document for a discussion of additional factors that could cause the Company’s actual results to differ materially before making any investment decision.

Notwithstanding the foregoing, nothing contained in this document shall in any way be taken to qualify the working capital statement contained in paragraph 16 of Part 10 of this document.

Conflicts of Interest

The Portfolio Manager and its members, directors, officers, employees and agents and the Directors will at all times have due regard to their duties owed to the Company and where a conflict arises they will endeavour to ensure that it is resolved fairly and in accordance with Part 4 (Conflicts of Interest) of the Registered Collective Investment Scheme Rules 2008, as amended.

Phoenix will comply with the requirements on conflicts set out in the AIFM Rules, including without prejudice to the generality of the foregoing taking all reasonable steps to avoid conflicts of interest and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of investors.

PART 3: EXPECTED TIMETABLE, STATISTICS AND DEALING CODES

1. Expected Timetable of Principal Events

Offer for Subscription opens	19 February 2014
Latest time and date for receipt of Application Forms under the Offer for Subscription	11.00am on 4 March 2014
Admission of the Ordinary Shares to the premium segment of the Official List and dealing in the Ordinary Shares on the London Stock Exchange's Main Market commence	8.00 a.m. on 10 March 2014
CREST accounts credited in respect of Ordinary Shares issued in uncertificated form	8.00 a.m. on 10 March 2014
Certificates despatched in respect of Ordinary Shares issued in certificated form	week commencing 24 March 2014
Placing Programme Opens	10 March 2014
Placing Programme Closes	17 February 2015

Notes:

- (1) References to times above and in this document generally are to London times unless otherwise specified.
- (2) All times and dates in the expected timetable and in this document may be adjusted by the Company. Any changes to the timetable will be notified via an RIS.

2. Illustrative Issue Statistics

Issue price per Ordinary Share	100.0p
Estimated net asset value per Ordinary Share on Admission	98.0p
Placing Programme Price	Not less than the cum income Net Asset Value per Ordinary Share at the time of issue plus a premium of at least 2 per cent.*

* The maximum Placing Programme Price will be equal to the best offer price per Share as quoted on the London Stock Exchange at the time the proposed issue is agreed.

3. Dealing Codes

Ordinary Shares

ISIN	GG00BJVDZ946
SEDOL	BJVDZ94
Ticker	SMIF

PART 4: DEFINITIONS

In this Prospectus, unless otherwise specified, all references to “sterling”, “pounds” or “£” are to United Kingdom pounds sterling and all references to “p” are to United Kingdom pence sterling.

In this Prospectus, unless the context otherwise requires, the expressions as set out below shall bear the following meanings:

Administrator	Northern Trust International Fund Administration Services (Guernsey) Limited (a non-cellular company limited by shares incorporated in the Island of Guernsey with registered number 15532);
Administration Agreement	the administration agreement between the Company and the Administrator, a summary of which is set out in paragraph 9.3 of Part 10 of this Prospectus;
Admission	the date on which admission of Ordinary Shares to listing on the premium segment of the Official List of the UKLA and to trading on the London Stock Exchange’s main market for listed securities first becomes effective;
AGM	an annual general meeting of the Company;
AIC	Association of Investment Companies;
AIC Code	the AIC Code of Corporate Governance for companies incorporated in Guernsey;
AIC Guide	the AIC Corporate Governance Guide for Investment Companies;
AIFM	the meaning given in regulation 4 of the AIFM Regulations;
AIFM Directive	the Alternative Investment Fund Managers Directive, (2011/61/EU);
AIFMD Implementation Date	the earlier of (a) the date that the Company’s AIFM receives the Part 4A permission of managing an AIF from the FCA and (b) 22 July 2014;
AIFM Agreement	the alternative investment management agreement between the Company and Phoenix, a summary of which is set out in paragraph 9.2 of Part 10 of this Prospectus;
AIFM Regulations	The Alternative Investment Fund Managers Regulations 2013 (S1 2013/1773);
AIFM Rules	the AIFM Directive and all applicable rules and regulations implementing the AIFM Directive in the UK, including without prejudice to the generality of the foregoing the AIFM Regulations and all relevant provisions of the FCA Handbook;
AIM	the London Stock Exchange’s international market for smaller and growing companies;
Annual Circular	the tender notice containing details of Quarterly Tenders to be distributed to Shareholders in advance of each AGM;
Annual Record Date	the date specified in an Annual Circular or in the notice enclosed at Appendix 2 to this Prospectus (as the case may be) as being the date on which the number of Ordinary Shares then in issue will be recorded for the purposes of determining the Annual Restriction applicable to each Quarterly Tender in the relevant annual period or, in case of the notice enclosed at Appendix 2 to this Prospectus, in the period from Admission of the Ordinary Shares issued pursuant to the Issue to the Company’s first AGM to be held in 2015;
Annual Restriction	the meaning set out in paragraph 17.2.2 of Part 5 of this Prospectus;

Application Form	the application form comprising 5 pages for use in connection with the Offer for Subscription set out at Appendix 1 to this document;
Articles or Articles of Incorporation	the articles of incorporation of the Company, a summary of which is set out in paragraph 4 of Part 10 of this Prospectus;
Asset Backed Securities	any security that entitles the holder to receive payments that depend primarily on the cash flow from, the market value of, or the credit exposure to, a specified pool of financial assets, either fixed or revolving (including, but not limited to, residential and commercial mortgages, credit card receivables, automobile, boat and recreational vehicle leases and loans, instalment sales contracts, bank loans, leases, corporate debt securities and various types of accounts receivable), together with rights or other assets designed to assure the servicing or timely distribution of proceeds to the holder of the security;
Audit Committee	the Company's audit committee as described in paragraph 22.4 of Part 5 of this Prospectus;
Auditor and Reporting Accountant	PricewaterhouseCoopers CI LLP (a limited liability partnership incorporated in England and Wales with registered number OC309347);
Basic Entitlement	the meaning set out in paragraph 17.3 of Part 5 of this Prospectus;
Board or Directors	the directors of the Company whose names are set out in the paragraph headed "Directors" in paragraph 6 Part 5 of this Prospectus;
Business Days	any day on which the London Stock Exchange is open for business and banks are open for business in Guernsey and London (excluding Saturdays and Sundays);
Chairman	the chairman of the Board as elected from time to time;
Company	TwentyFour Select Monthly Income Fund Limited;
Company's Website	www.selectmonthlyincomefund.com ;
Continuation Resolution	means an Ordinary Resolution that the Company continues its business as a closed-ended investment scheme, put to the Shareholders, in accordance with the Articles, in the event that: <ul style="list-style-type: none"> (i) 85 per cent. of the Net Proceeds (excluding, for the avoidance of doubt, Credit Securities that are in the process of being reinvested) has not been invested within 6 months of the date of Admission; or (ii) the Dividend Target is not met; or (iii) on any Tender Submission Deadline, applications for the Company to repurchase 50 per cent. or more of the Company's issued Ordinary Shares, calculated as at the relevant Quarter Record Date are received by the Company;
Corporate Governance Code	the UK Corporate Governance Code published on 1 October 2012;
Credit Securities	any credit product, including, without prejudice to the generality of the foregoing, bank capital, corporate bonds, high yield bonds, leveraged loans, payment-in-kind notes and Asset Backed Securities and including Less Liquid Securities;
CREST	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Regulations;

Custodian and Depositary	Northern Trust (Guernsey) Limited (a non-cellular company limited by shares incorporated in the Island of Guernsey with the registered number 2651);
Custody Agreement	the custody agreement between the Company and the Custodian, a summary of which is set out in paragraph 9.4 of Part 10 of this Prospectus;
Dealing Day	a day on which the London Stock Exchange is open for business;
Depositary Agreement	the agreed form depositary agreement to be entered into by the Company, Phoenix and the Depositary, a summary of which is set out in paragraph 9.5 of Part 10 of this Prospectus;
Disclosure and Transparency Rules	the Disclosure Rules and Transparency Rules made by the FCA under section 72 of FSMA;
Dividend Target	for the period up to 30 September 2014, aggregate dividends of at least 1.5p per Ordinary Share; and for each Reporting Period thereafter aggregate dividends of at least 6p per Ordinary Share increased or decreased <i>pro rata</i> to the extent to which any Reporting Period is longer or shorter than 12 months;
ERISA	the United States Employee Retirement Income Security Act of 1974, as amended;
EU or European Union	the European Union first established by the treaty made at Maastricht on 7 February 1992;
Euroclear	Euroclear UK & Ireland Limited (a company incorporated in England and Wales with registered number 02878738, being the operator of CREST);
European Economic Area or EEA	the European Union, Iceland, Norway and Liechtenstein;
Excess Tender Applications	the number of Ordinary Shares that a Shareholder tenders for repurchase by the Company, which is in excess of that Shareholder's Basic Entitlement;
FATCA	the US Foreign Account Tax Compliance Act;
FCA	the Financial Conduct Authority;
FCA Handbook or FCA Rules	the FCA Handbook, as amended;
FSMA	Financial Services and Markets Act 2000;
General Meeting	a general meeting of the Company convened in accordance with the Articles;
GFSC	the Guernsey Financial Services Commission;
Gross Proceeds	the Issue Price multiplied by the number of Ordinary Shares for which subscribers have been procured pursuant to the Placing together with the Issue Price multiplied by the number of Ordinary Shares for which applications have been made pursuant to the Offer for Subscription and for the avoidance of doubt excluding the proceeds of any issues of Ordinary Shares under the Placing Programme;
HMRC	Her Majesty's Revenue and Customs;
IFRS	International Financial Reporting Standards;
Interest Rate Duration	the sensitivity of the value of the Credit Securities to changes in interest rate;
Investment Company Act	the United States Investment Company Act of 1940, as amended;
ISA	an investment plan for the purposes of Chapter 3 of Part 6 of the Income Tax (Trading and Other Income) Act 2005 and the Individual Savings Account Regulations 1998 (SI 1998/1870) (as amended);

Issue	the issue of Ordinary Shares pursuant to the Placing and the Offer for Subscription at the Issue Price;
Issue Expenses	the costs, commissions, fees and expenses incidental to the formation of the Company and the Issue which will be borne by the Company and paid on or around Admission;
Issue Price	100p per Ordinary Share;
Law	the Companies (Guernsey) Law 2008, as amended;
Less Liquid Securities	securities or other investments which are deemed to have a relatively low level of trading liquidity compared to more conventional credit securities, including for example because the security was issued in small size; only has a small legacy amount outstanding due to past tenders; is a constituent of a segment with a less active buyer base; has longer trade settlement periods; or has the ability to pay coupons in kind rather than in cash;
Listing Rules	the listing rules made by the FCA under section 73A of FSMA;
London Stock Exchange	London Stock Exchange plc (a company registered in England and Wales with registered number 2075721);
Main Market	the main market of the London Stock Exchange for listed securities;
Management Engagement Committee	the management engagement committee of the Company as described in paragraph 22.5 of Part 5 of this Prospectus;
Memorandum of Incorporation or Memorandum	the memorandum of incorporation of the Company;
Net Asset Value or NAV	in relation to an Ordinary Share, its net asset value, in relation to Ordinary Shares the net asset value per Ordinary Share multiplied by the number of shares of that class in issue (excluding, for the avoidance of doubt, any Ordinary Shares held in treasury) and in relation to the Company, the net asset value of the Company as a whole, in each case calculated in accordance with the Company's normal reporting policies from time to time;
Net Proceeds	Gross Proceeds less the Issue Expenses;
New Ordinary Shares	the new ordinary shares of 1p each in the capital of the Company to be issued pursuant to the Placing Programme;
Numis	Numis Securities Limited;
Offer for Subscription	the offer for subscription to the public in the UK for Ordinary Shares on the terms and subject to the conditions set out in this document;
Official List	the Official List maintained by the UK Listing Authority pursuant to Part VI of FSMA;
Ordinary Resolution	a resolution passed by a simple majority in accordance with the Law;
Ordinary Shares	ordinary shares of 1p each in the capital of the Company;
Ordinary Shareholders	holders of Ordinary Shares;
Overseas Shareholder	a Shareholder who is not a UK Shareholder, Guernsey Shareholder or Restricted Shareholder;
Panel	the Panel on Takeovers and Mergers;
Phoenix	Phoenix Fund Services (UK) Limited;
Placed Tendered Shares	Tendered Shares that are placed in the market by Numis;

Placing	the conditional placing by Numis of Ordinary Shares described in this document, on the terms and subject to the conditions set out in the Placing Agreement and this document;
Placing Agreement	the conditional placing agreement between the Company, the Portfolio Manager and Numis, details of which are set out in paragraph 9.6 of Part 10 of this document;
Placing Programme Price	the price at which the New Ordinary Shares will be issued to placees under the Placing Programme, being such price, not less than the prevailing cum income Net Asset Value per Ordinary Share at the time that the proposed issue is agreed, as shall be determined by the Directors in accordance with paragraph 6 of Part 8 of this Prospectus, plus a premium of at least 2 per cent.;
Placing Programme	the proposed programme of placings in the period from 10 March 2014 to 17 February 2015 of an aggregate number of New Ordinary Shares equal to up to 300 per cent. of the Ordinary Shares issued pursuant to the Issue, provided that such number of New Ordinary Shares to be issued pursuant to the Placing Programme may not exceed 500 million in aggregate with those Ordinary Shares issued pursuant to the Issue;
Portfolio	the Company's portfolio of assets;
Portfolio Management Agreement	the portfolio management agreement between the Company and the Portfolio Manager, a summary of which is set out in paragraph 9.1 of Part 10 of this Prospectus;
Portfolio Manager or TwentyFour	TwentyFour Asset Management LLP (a limited liability partnership incorporated in England and Wales with registered number OC335015);
Pro Rata Scaling Back	the meaning set out in paragraph 17.2.1 of Part 5 of this Prospectus;
Prospectus	this prospectus;
Prospectus Rules	the prospectus rules made by the FCA under section 73A of FSMA;
Quarterly Restriction	the meaning set out in paragraph 17.2.1 of Part 5 of this Prospectus;
Quarter Record Date	the last Dealing Day of June, September, December and March, commencing on 30 September 2014;
Quarterly Tender	the meaning given in the section entitled "Discount Management" in Part 5 of this Prospectus;
Receiving Agent	Computershare Investor Services PLC;
Recognised Investment Exchange	an investment exchange in relation to which a recognition order of the FCA is in force;
Registrar	Computershare Investor Services (Guernsey) Limited (a non-cellular company limited by shares incorporated in the Island of Guernsey with registered number 50855);
Registrar's Agreement	the registrar's agreement between the Company and the Registrar, a summary of which is set out in paragraph 9.7 of Part 10 of this Prospectus;
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
Reporting Period	the Company's first reporting period to 30 September 2014, and each reporting period thereafter for which the Company prepares audited accounts;
Repurchased Tendered Shares	Tendered Shares that are repurchased by the Company;
Restricted Shareholders	Shareholders who are resident in, or citizens of, a Restricted Territory;

Restricted Territory	each of the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland and Japan;
RIS or Regulatory Information Service	a regulatory information service that is on the list of regulatory information services maintained by the FCA;
Securities Act	the United States Securities Act of 1933, as amended;
Shareholders	holders of Shares;
Shares	Ordinary Shares;
Special Resolution	a resolution passed by not less than a 75 per cent. majority in accordance with the Law;
Takeover Code	the City Code on Takeovers and Mergers, as amended from time to time;
Tax Code	the United States Internal Revenue Code of 1986, as amended;
Tender Form	the prescribed form of irrevocable sell order to be used by Shareholders wishing to make use of the Quarterly Tender. The Tender Form is available for download from the Company's Website;
Tender NAV Determination Date	the Quarter Record Date or such other date as the Directors in their absolute discretion may determine from time to time;
Tender Price	the price at which Tendered Shares will be placed or repurchased by the Company under any Quarterly Tender;
Tender Purchases	Ordinary Shares purchased through a placement in the market or repurchased by the Company pursuant to Quarterly Tender;
Tender Request	the meaning set out in paragraph 17.3 of Part 5 of this Prospectus;
Tender Restrictions	the meaning set out in paragraph 17.2 of Part 5 of this Prospectus;
Tender Settlement Date	the date falling 10 Business Days after the Tender NAV Determination Date;
Tendered Shares	Ordinary Shares lodged for repurchase under a Quarterly Tender;
Tender Submission Deadline	the date by which Tender Forms and/or TTE Instructions need to be delivered to the Receiving Agent (together with supporting documentation, as applicable), being 20 Business Days before the Quarter Record Date. The relevant Tender Submission Deadline for each quarter will be communicated to Shareholders and market makers via the Annual Circular sent to Shareholders in advance of each AGM and such information will also be available on the Company's Website at the beginning of the relevant quarter;
Tender Terms and Conditions	the meaning set out in paragraph 1.3 of Part 13 of this Prospectus;
TFE Instruction	transfer from escrow instruction;
TTE Instruction	transfer to escrow instruction;
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland;
UKLA or UK Listing Authority	the FCA as the competent authority for listing in the United Kingdom;
United States or U.S.	the United States of America, its possessions or territories, any state of the United States of America and the District of Columbia or any area subject to its jurisdiction or any political subdivision thereof; and
U.S. Person	a US person as defined by Regulation S of the Securities Act.

PART 5: THE COMPANY

1. Introduction

TwentyFour Select Monthly Income Fund Limited is a newly formed company which has been incorporated in Guernsey as a non-cellular company limited by shares. The Company has appointed TwentyFour as its portfolio manager. The Company has been registered by the GFSC as a registered closed-ended collective investment scheme in accordance with The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. Applications will be made in due course to the FCA for the Ordinary Shares to be issued pursuant to this Prospectus to be admitted to the premium segment of the Official List and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

2. Investment Objective

The Company's investment objective is to generate attractive risk adjusted returns, principally through income distributions.

3. Target Total Return

On the basis of market conditions as at the date of this Prospectus and whilst not forming part of the Company's investment objective, the Company will target a net total return on the Issue Price of between 8 and 10 per cent. per annum*.

4. Investment Policy

The Company's investment policy is to invest in a diversified portfolio of Credit Securities.

4.1 Credit Securities

The Portfolio may be comprised of any category of credit security, including, without prejudice to the generality of the foregoing, bank capital, corporate bonds, high yield bonds, leveraged loans, payment-in-kind notes and Asset Backed Securities. The Portfolio will include Less Liquid Securities. The Portfolio will be dynamically managed by the Portfolio Manager and is only subject to the restrictions set out within this paragraph 4 of this Part 5 of the Prospectus and, in particular, will not be subject to any geographical restrictions.

4.2 Diversification

The Company will maintain a Portfolio diversified by issuer concentration, it being anticipated that the Portfolio will comprise at least 50 Credit Securities once the Portfolio is substantially invested.

4.3 Investment restrictions

No more than 5 per cent. of the Portfolio value will be invested in any single Credit Security or issuer of Credit Securities, tested at the time of making or adding to an investment in the relevant Credit Security.

The Company will not invest more than 10 per cent., in aggregate, of the value of its total assets in other closed-ended investment funds that are listed on the Official List, except where the closed-ended investment funds themselves have published investment policies to invest no more than 15 per cent. of their total assets in other closed-ended investment funds that are admitted to the Official List. The Company will not invest more than 15 per cent., in aggregate, of the value of its total assets in other closed-ended investment funds that are listed on the Official List.

The Company does not intend to use cross-financing between the issuers forming part of the Portfolio. No investment will be made in any company or fund where TwentyFour acts as the portfolio manager or equivalent without the prior approval of the Board.

4.4 Cash management

Uninvested cash or surplus capital or assets may be invested on a temporary basis in:

- Cash or cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a "single A" or higher credit rating as

* This is a target only and not a profit forecast. There can be no assurance that this target will be met or that the Company will make any distributions at all. This target return should not be taken as an indication of the Company's expected or actual current or future results. The Company's actual return will depend upon a number of factors, including but not limited to the size of the Issue and the Company's total expense ratio. Potential investors should decide for themselves whether or not the return is reasonable and achievable in deciding whether to invest in the Company. See further under paragraph 1.5 of the "Risk Factors".

determined by any internationally recognised rating agency selected by the Board which, may or may not be registered in the EU; and

- Any “government and public securities” as defined for the purposes of the FCA Rules.

4.5 Gearing and derivatives

The Company will not employ gearing or derivatives for investment purposes, but is expected to employ gearing and/or derivatives in order to manage key investment risks, including the management of Interest Rate Duration. The Company may, from time to time, also use borrowing for short-term liquidity purposes, which could be achieved through a loan facility or other types of collateralised borrowing instruments including repurchase transactions or stock lending. The Company is permitted to provide security to lenders in order to borrow money, which may be by way of mortgages, charges or other security interests or by way of outright transfer of title to the Company’s assets. The Articles restrict aggregate borrowing to an amount not exceeding 10 per cent. of the Company’s Net Asset Value at the time of drawdown. Derivatives may be used for currency hedging purposes as set out below and for efficient portfolio management. At the date of this Prospectus, the Company has not incurred any borrowings or indebtedness and has not granted any mortgages, charges or security over or in relation to any of its assets.

4.6 Efficient Portfolio Management

Efficient portfolio management techniques will be employed by the Company, such as currency hedging, interest rate hedging and the use of derivatives to manage key risks such as interest rate sensitivity and to mitigate market volatility. The Company’s currency hedging policy will only be used for efficient portfolio management and not to attempt to enhance investment returns.

The Company will operate in Sterling as its base currency. The Company intends to hedge the value of any non-Sterling assets into Sterling using spot and forward foreign exchange contracts, rolling forward on a periodic basis. The Company cannot give any assurance that it will in all cases be able to hedge all non-Sterling currency exposure or that the hedges will be completely effective, so that while the Company will seek to minimise the exposure, Shareholders may potentially be exposed to some currency risk.

An important aspect of the management of the Portfolio is the management of Interest Rate Duration (i.e. the sensitivity of the Portfolio’s value to changes in interest rates), which the Company intends to achieve using interest rate derivatives.

4.7 Material Breach of Investment Restrictions

In the event of any material breach of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Portfolio Manager through a Regulatory Information Service.

4.8 Amendment to Investment Policy

In accordance with the Listing Rules, the Company can only make a material change to its investment policy with the approval of its Shareholders by Ordinary Resolution.

5. Investment Portfolio

The Board has approved the appointment of Phoenix as the Company’s AIFM to provide investment management services to the Company as required by the AIFM Rules. Investment management services comprise risk management and portfolio management services. In accordance with the AIFM Rules, Phoenix will delegate the performance of the portfolio management services to TwentyFour and will monitor TwentyFour’s provision of such services in accordance with the AIFM Rules and the terms of the Portfolio Management Agreement.

The Portfolio Manager will select investments for the Company which it believes are appropriate to the Company’s investment objective and policy. It is anticipated that the Portfolio will be substantially invested within three months of Admission and it is expected that, once the Portfolio is substantially invested, it will initially comprise between 50 and 75 Credit Securities, primarily sourced from the secondary market.

6. Directors

The Directors, all of whom are non-executive and all of whom are independent of the Portfolio Manager, are responsible for the determination of the investment policy of the Company and the supervision of the implementation of such policy. The Board currently consists of:

Claire Whittet – (Chairman) (age 58)

Ms Whittet is a resident of Guernsey and has over 35 years' experience in the banking industry and since 2003 has been a Director and, more recently, Managing Director and Co-Head of Rothschild Bank International Ltd and a Director of Rothschild Bank (CI) Ltd. Ms Whittet is also a non-executive director of International Public Partnerships Ltd, the London-listed global infrastructure fund. Ms Whittet began her career at the Bank of Scotland where she was for 19 years in a variety of personal and corporate finance roles. Subsequently, Ms Whittet joined Bank of Bermuda and was Global Head of Private Client Credit before taking up her current position at Rothschild.

Ms Whittet is a member of the Chartered Institute of Bankers in Scotland, a member of the Chartered Insurance Institute, a Chartered Banker, a member of the Institute of Directors and holds the Institute of Directors Diploma in Company Direction.

Christopher F. L. Legge – (Non-executive Director) (age 58)

Mr Legge is a Guernsey resident and worked for Ernst & Young in Guernsey from 1983 to 2003. Having joined the firm as an audit manager in 1983, he was appointed a partner in 1986 and managing partner in 1998. From 1990 to 1998, he was head of Audit and Accountancy and was responsible for the audits of a number of banking, insurance, investment fund, property fund and other financial services clients. He also had responsibility for the firm's training, quality control and compliance functions. He was appointed managing partner for the Channel Islands region in 2000 and merged the business with Ernst & Young LLP in the United Kingdom. He retired from Ernst & Young in 2003.

Mr Legge currently holds a number of non-executive directorships in the financial services sector including BH Macro Limited (FTSE 250) where he is Senior Independent Director and chairs the Audit Committee, and Third Point Offshore Investors Limited, Ashmore Global Opportunities Limited and Sherborne Investors (Guernsey) B Limited all of which are UK listed and where he also chairs the Audit Committee. He is an FCA and holds a BA (Hons) in Economics from the University of Manchester.

Thomas H. Emch – (Non-executive Director) (age 71)

Mr Emch is an independent board member and consultant. He graduated from the University of Zurich (lic.oec.publ.) and IMD (PED) in Lausanne. During his professional career he successively was European Treasurer of Litton International, SVP of Banque Paribas Suisse, EVP of Lombard Odier & Co. and CEO of Royal Bank of Canada (Suisse), a position he held for 11 years until his retirement in 1999. Throughout his banking career, he served on the boards of numerous companies and professional associations in Switzerland and abroad.

The Board intends to appoint another director after Admission and will notify Shareholders by RIS once this appointment has been made.

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

7. Portfolio Manager

TwentyFour is an independent fixed income specialist asset manager established in 2008 and based in the City of London. TwentyFour had over £2 billion of total funds under management as at 31 December 2013, including a number of funds investing in the asset class proposed for the Company. The Portfolio Manager is authorised and regulated by the FCA.

7.1 TwentyFour's management board comprises:

Graeme Anderson – Founding Partner, Chairman

Before founding TwentyFour in 2008, Mr Anderson was one of the original partners of Synapse Investment Management which he founded with Mr Holman in 2006. Prior to that Mr Anderson was a Managing Director at Barclays Capital for 6 years during which time he held several leadership positions including Head of European Credit Sales. In 2005 Mr Anderson was named in Credit Magazine's "Hall of Fame" as being one of the individuals most influential in the development of the European Corporate Bond market. His investment banking career began in 1995 at Merrill Lynch where he was recruited as a Director of Product Development. Following three years at

Merrill Lynch, Mr Anderson spent two years as Head of U.K. Sales at Greenwich NatWest. Between 1986 and 1995 Mr Anderson worked for Britannic Asset Management, managing multiple equity sectors before becoming Head of Fixed Income and Treasury.

Mark Holman – *Founding Partner, Chief Executive Officer*

Before founding TwentyFour, Mr Holman was one of the original partners at Synapse Investment Management which he founded along with Mr Anderson in June 2006. Prior to that Mr Holman was a Managing Director at Barclays Capital in London where he established and led various units of its European fixed income distribution business. Mr Holman joined Barclays Capital in March 1999. Prior to that he was an executive director at Lehman Brothers where for 5 years he played a key role in helping Lehman establish their European Credit Business. Mr Holman began his investment banking career in 1990 with Morgan Stanley in fixed income.

Nick Knight-Evans – *Founding Partner, Chief Operating Officer & General Counsel*

Before founding TwentyFour, Mr Knight-Evans was a partner and the COO and General Counsel at Synapse Investment Management. Prior to this, Mr Knight-Evans was a Director within the Legal Department of Barclays Capital where he was responsible for running a number of teams of lawyers including the Fund-Linked Derivatives, Investment Solutions Structuring and Prime Services teams. In this role, Mr Knight-Evans worked closely with a large number of funds and fund management firms where the scope of his work included fund formation, fund financing and a wide range of securitised and OTC derivative products. Mr Knight-Evans joined Barclays Capital in 2003. Prior to that, he worked as in-house counsel at both BNP Paribas and Société Générale. Mr Knight-Evans qualified as a solicitor in 1995 and worked for the English law firm Wilde Sapte before opting for an in-house legal career.

7.2 In respect of the Company, the key members of TwentyFour's portfolio management team are expected to be:

Gary Kirk – *Founding Partner, Portfolio Management*

Before founding TwentyFour, Mr Kirk was a partner and portfolio manager at Synapse Investment Management. Prior to this, Mr Kirk was Head of European Credit trading at Wachovia Bank NA, where he led a successful proprietary trading group focused on European and Asian products. Prior to joining Wachovia, Mr Kirk was Head of Trading at CDC Ixis, running a group of 10 traders based in London, Paris & Frankfurt. Mr Kirk began his investment banking career in 1987 in the Corporate Finance & Syndicate group at Daiwa Securities where he created structured bonds for Asian investors as well as becoming one of the pioneers of the asset swap market. Between 1993 and 2000 Mr Kirk was Head of Credit Trading at the Royal Bank of Canada, where he was at the forefront of the development of the credit derivative market and a member of the professional market panel involved in the first standardised ISDA document.

Eoin Walsh – *Founding Partner, Portfolio Management*

Before founding TwentyFour, Mr Walsh was a partner and portfolio manager at Synapse Investment Management. Prior to this, Mr Walsh was a Vice President at London Credit Structures, part of Citigroup Alternative Investments. Mr Walsh joined Citigroup in 1997 and initially worked in the Independent Control department before moving to the Credit team where he analysed banks and financial institutions, corporate and asset-backed securities. Mr Walsh joined the portfolio management team in 2002 and concentrated on the structured finance sector, covering: securities backed by assets such as residential or commercial mortgages, autos, student loans, consumer loans, collateralised loan obligations and various other asset-backed securities.

Felipe Villarroel – *Portfolio Manager*

Mr Villarroel joined TwentyFour in 2011. Mr Villarroel is responsible for monthly portfolio reporting, macroeconomic analysis and credit analysis. In addition, Mr Villarroel has responsibility for foreign exchange hedging of funds and bespoke portfolios.

Prior to joining TwentyFour, Mr Villarroel worked as an Asset Allocation and Strategy Analyst at Celfin Capital in Chile. At Celfin, Mr Villarroel took an active role in developing the team's strategic view of the global macro economy and asset classes. Mr Villarroel also played a key part in analysing and constructing High Net Worth clients' portfolios and in communicating asset allocation decisions to clients and private bankers.

Mr Villarroel graduated from Pontificia Universidad Catolica de Chile with a Bachelor's degree in Economics and Business Administration before obtaining a Masters in Finance from the London Business School.

8. Investment Process

The investment process adopted by TwentyFour is structured on a 'top-down/bottom-up' basis. The 'top-down' part of the process is controlled by the investment committee, which meets formally on a monthly basis. The meeting follows a set agenda and reviews key inputs (such as economic fundamentals, market technicals, sentiment, valuations and risk/stress analysis) and this drives the macro strategy for each portfolio and produces outputs such as strategy revisions, asset allocations, sector weighting and bespoke research to be undertaken. The investment committee also meets weekly to conduct a top-down portfolio review and a macro strategy validation or revision as necessary.

Detailed 'bottom-up' credit analysis is carried out on each transaction before it is considered as an investment. A potential investment will be allocated to one of the portfolio managers who will then conduct a detailed analysis of the transaction including analysis of relevant documentation including the deal prospectus, pre-sale reports, investment banking research, historical information/reporting, manager evaluation or site visits if applicable, deal modelling and any macro analysis that might be necessary to fully understand the prospective investment. Once the analysis is complete, the deal will be presented to the portfolio management team for further scrutiny and, if necessary, further analysis can be carried out. Once an investment is approved, the on going monitoring will normally be the responsibility of the portfolio manager that carried out the initial analysis and that individual will produce a monitoring template and will report on performance on an on-going basis.

9. Portfolio Management Agreement

Discretionary portfolio management services are to be provided by TwentyFour.

Phoenix, the Company's AIFM has delegated its responsibility for portfolio management for the Company to the Portfolio Manager in accordance with the AIFM rules. The Portfolio Manager is therefore appointed by Phoenix on behalf of the Company to manage the Portfolio and to advise the Company and Phoenix on behalf of the Company in relation to the investment of the Portfolio.

A monthly management fee is payable on the last Business Day of the month, or on the date of termination of the Portfolio Management Agreement by the Company to TwentyFour of 0.75 per cent. per annum of, in respect of each class of Shares that are: (i) listed or admitted to trading on any stock exchange, the lower of the NAV and the market capitalisation of that class of Shares; and/or (ii) not listed or admitted to trading on any stock exchange, the NAV of that class of Shares, plus, in each case, any applicable Value Added Tax.

TwentyFour, under the terms of the Portfolio Management Agreement, is responsible for:

- seeking out and evaluating opportunities for investment by the Company including making such issuer visits and obtaining such information as it may consider necessary from time to time;
- recommending the manner in which any moneys raised by the Company might be invested, taking into account the Company's particular requirements;
- recommending the manner in which any moneys required for outgoings of the Company should be retained or realised;
- advising whether and in what manner all rights conferred by the investments held in the Portfolio should be exercised;
- analysing the performance of the investments held in the Portfolio and advising the Company and the Company's AIFM on behalf of the Company generally in relation to investment trends, market movements and all other matters likely, or which might reasonably be considered likely, to affect the investment policy of the Company;
- devoting such time and having sufficient suitably qualified personnel and equipment as may be required to enable it to carry out its obligations under the Portfolio Management Agreement properly and efficiently, and having in place systems and controls to properly supervise the provision of portfolio management and manage any risk arising from this;

- employing efficient portfolio management techniques to protect against the Company's exposure to, where it considers it appropriate, to mitigate market volatility and using credit derivatives to hedge against market movements;
- using borrowing for short-term liquidity purposes in accordance with the Company's investment policy;
- monitoring the Company's discount management procedures;
- producing and publishing monthly factsheets, which will include information on the Company's performance, holdings and investment activity;
- keeping such records required to be kept by the AIFM Rules applicable to the Portfolio Manager, maintaining such books, records and reports as are necessary to provide a complete record of the provision of the Portfolio Manager's obligations under the Portfolio Management Agreement and information about executed transactions on a transaction by transaction basis;
- providing such information to the Board and the Company's AIFM as they may reasonably request, and at such times and with such frequency as they shall reasonably request, in relation to the Company, the Portfolio or the performance by the Portfolio Manager of its duties under the Portfolio Management Agreement;
- providing such information to Phoenix as it reasonably requests, and at such times and with such frequency as it shall reasonably request to enable Phoenix to fulfil its duties under the AIFM Agreement;
- providing such information to the Administrator as it reasonably requests, and at such times and with such frequency as it shall reasonably request to enable the Administrator to fulfil its duties under the Administration Agreement;
- notifying the Company's AIFM as soon as reasonably practicable of any development that may have a material impact on the Portfolio Manager's ability to carry out its obligations under the Portfolio Management Agreement in accordance with the AIFM Rules and if any material breach occurs or is likely to occur;
- making available in person or by telephone (as may be requested by the Board or the Company's AIFM) the services of an appropriate person to attend meetings of the Board quarterly or at such intervals as shall be agreed between TwentyFour and the Company and the Company's AIFM, and preparing reports or other documents as requested by the Company and the Company's AIFM in connection with such meetings; and
- providing such information and assistance to the Company and the Company's AIFM as it reasonably requests, and at such times and with such frequency as it shall reasonably request, in relation to the activities of the Company, the Company's AIFM, the Administrator or the Company's brokers in promoting the Ordinary Shares or any other marketing, promotional and corporate activities as may be conducted by the Company's brokers from time to time, and any issues arising from time to time in the context of relations between the Company and its shareholders, at all times subject to compliance with FSMA, the FCA Rules (including without limitation the general prohibition in section 19 of FSMA and the financial promotion restriction in section 21 of FSMA) and the AIFM Rules.

The Portfolio Management Agreement may be terminated by the Company, the Company's AIFM or the Portfolio Manager giving not less than 12 months' notice.

The Company or the Company's AIFM may terminate the Portfolio Management Agreement with immediate effect if any one or both of Gary Kirk and Eoin Walsh cease to be involved in managing the Portfolio and are not replaced within 90 days by alternative portfolio managers approved by the Company and the Company's AIFM. The Company and the Company's AIFM may also terminate the Portfolio Management Agreement with immediate effect if the Company is or is being wound up in accordance with the Articles, which shall include where in accordance with the Articles, any Continuation Resolution is not passed by the Company's shareholders, where it is in the best interests of the Company's investors to do so, or in the event that the Portfolio Manager is no longer able to carry out the obligations under the Portfolio Management Agreement or in compliance with applicable laws and the AIFM Rules.

10. AIFM

The Board has approved the appointment of Phoenix as the Company's AIFM. Under the AIFM Agreement, Phoenix is obliged to obtain the FSMA Part 4A permission of "managing an AIF" on or before 22 July 2014. Phoenix is a private company limited by shares with registration number 6252439 and is authorised and regulated by the FCA. Phoenix was incorporated in England and Wales on 18 March 2007.

Phoenix, as the Company's AIFM, intends to cover potential professional liability risks resulting from its activities as AIFM by holding professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered, in accordance with the AIFM Rules. A supplementary prospectus will be published if required under section 87G of FSMA in respect of the Company's appointment of an AIFM.

11. The AIFM Agreement

Alternative investment fund management services are provided by Phoenix. The AIFM Agreement may be terminated by any party serving the other party with 3 months' prior written notice (or such shorter time as may be agreed by the parties) or immediately by the Company if (i) the Company believes that Phoenix will not be authorised by the FCA to manage alternative investment funds by the AIFMD Implementation Date, (ii) following the AIFMD Implementation Date Phoenix's authorisation to manage investment funds is not maintained by it, or is suspended or restricted by the FCA, so that the Company is not able to realise its investment objective or implement its investment policy, (iii) if the Portfolio Manager ceases to maintain its authorisation from the FCA, or (iv) Phoenix fails to notify the Company of an investigation by the FCA. The AIFM Agreement will automatically terminate if the FCA requires Phoenix to stop acting as AIFM. Either party may terminate the AIFM Agreement immediately if (i) the other party is insolvent, or in the case of the Company a Continuation Resolution is not passed by the Company's shareholders, (ii) the other party is in material or persistent breach of the AIFM Agreement, which if capable of remedy has not been remedied within 20 days after having been required in writing by the other party so to do.

For the provision of its services under the AIFM Agreement, Phoenix is entitled to receive an annual fee to be calculated as percentages of the Company's net assets (7 basis points on the first £49,999,999.99 of net assets, 5 basis points on net assets between £50 million and £100 million and 3 basis points on net assets in excess of £100 million, subject to a minimum annual fee of £20,000. The Company will also reimburse Phoenix for reasonable expenses properly incurred by Phoenix in the performance of its obligations under the AIFM Agreement.

Phoenix provides, among others, the following services under the terms of the AIFM Agreement:

- Provision of risk management services as required by the AIFM Rules, including the implementation of adequate risk management systems to identify, measure, manage and monitor appropriate all risks relevant to the Company's investment strategy and which the Company is or may be exposed and ensuring that the Company's risk management policy and its implementation of the same comply with the AIFM Rules;
- Ensuring that quantitative or qualitative risk limits are set in conjunction with the Company, which are implemented by the Company, taking into account all relevant risks;
- Monitoring on a daily basis the compliance by TwentyFour, as portfolio manager, with the Company's investment objective and investment policy and reporting any non-compliance in a timely fashion to TwentyFour and the Board;
- Appraise the performance of TwentyFour and present an analysis of the performance of TwentyFour to the Board on an annual or more frequent basis as may reasonably be requested by the Board;
- Ensuring that with effect from the AIFMD Implementation Date a depositary compliant with the AIFM Rules is appointed by or on behalf of the Company and that the assets of the Company are entrusted to the depositary for safekeeping in accordance with the AIFM Rules and providing the depositary with all information required to enable the Depositary to comply with its obligations under the AIFM Rules in respect of the Company;
- Ensuring that the disclosures required to be made by the Company under the AIFM Rules are made;
- Providing the Company with reports and reporting to the FCA as required under the AIFM Rules;

- Ensuring that the Portfolio is valued in accordance with the AIFM Rules; and
- Ensuring that it is authorised by the FCA to market the Company in accordance with the AIFM Rules as required by the Company from time to time.

12. Administrator

The Administrator is a non-cellular company limited by shares which was incorporated in the Island of Guernsey on 29 May 1986 with registration number 15532. It is licensed by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. The Administrator is a subsidiary of Northern Trust Corporation, based in Chicago. Northern Trust Corporation is a leading provider of investment management, asset and fund administration, fiduciary and banking solutions for corporations, institutions and individuals worldwide. Northern Trust Corporation is quoted on NASDAQ.

13. Administration Agreement

Administrative, secretarial and other services are provided by the Administrator. The Administration Agreement may be terminated by either party serving the other party with 90 days' written notice or immediately (i) in the event of the winding up of (other than a voluntary liquidation for the purpose of a reconstruction, amalgamation or merger) or the appointment of an administrator, examiner or receiver to the other party or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction, (ii) if either party commits any material breach of the provisions of the Administration Agreement and shall, if capable of remedy, not have remedied the same within 30 days after the service of notice requiring it to be remedied (in such cases such right of termination lies with the non-defaulting party), (iii) if the continued performance of the Administration Agreement for any reason ceases to be lawful (including under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and in circumstances where the Administrator ceases to hold the relevant licence, consent, permit or registration to carry on the Administrator's activities), (iv) if a party is declared to be en état de désastre under the laws of Guernsey, or (v) if the Administrator is or is deemed to be resident for tax purposes elsewhere than in Guernsey or has a permanent establishment or other taxable presence elsewhere than in Guernsey. The Company may terminate the Administration Agreement immediately by notice if the Administrator ceases to be qualified to act pursuant to the Registered Collective Investment Scheme Rules 2008 and The Licensees (Conduct of Business) Rules 2009.

For the provision of the services under the Administration Agreement, the Administrator is entitled to receive an annual fee to be calculated as percentages of the Company's net assets (6 basis points on the first £99,999,999.99 of net assets, 5 basis points on net assets between £100 million and £200 million and 4 basis points on net assets in excess of £200 million, subject to a minimum annual fee of £50,000 in the first year following Admission and £75,000 for each year thereafter. In addition, a fixed annual fee of £25,000 will also be charged for corporate governance and company secretarial services provided by the Administrator to the Company (the parties may by agreement revise these fees from time to time). The Company will also reimburse the Administrator for disbursements and reasonable out of pocket expenses properly incurred by the Administrator on behalf of the Company.

The Administrator, under the terms of the Administration Agreement provides *inter alia* the following services:

- company secretarial and administrative services;
- assistance with the implementation of corporate governance and other compliance requirements;
- calculation of Net Asset Value of the Ordinary Shares;
- maintenance of adequate accounting records and management information;
- preparation of the audited annual financial statements and the unaudited interim report and publication of the same through a Regulatory Information Service;
- attending to general tax affairs of the Company in Guernsey where necessary; and
- following the AIFMD Implementation Date, providing certain reporting to the Depositary in order to allow the Depositary to carry out its obligations under the Depositary Agreement.

The register of members of the Company will be maintained by the Registrar and a copy of the register of members will be available to the Administrator at its registered office being PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL.

14. Custodian and Depositary

Northern Trust (Guernsey) Limited has been appointed as Custodian of such assets as are deposited with it pursuant to the Custody Agreement, a summary of which is set out in paragraph 9.4 of Part 10 of this Prospectus. Northern Trust (Guernsey) Limited is a company incorporated in Guernsey, whose registered office is PO Box 71, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 3DA. The Custodian is a bank licensed by the GFSC under the provisions of the Banking Supervision (Bailiwick of Guernsey) Law, 1994, as amended and under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, with firm reference number: 33.

It is anticipated that on the AIFMD Implementation Date, the Custodian will be replaced by the Depositary and that the Custody Agreement will terminate and be replaced with the Depositary Agreement, the form of which has been agreed by the Company, Phoenix and the Depositary. A summary of the Depositary Agreement is set out in paragraph 9.5 of Part 10 of this Prospectus.

15. Registrar and Receiving Agent

Computershare Investor Services (Guernsey) Limited has been appointed as Registrar to the Company under the Registrar's Agreement. Computershare Investor Services PLC has been appointed Receiving Agent of the Company for the Offer for Subscription under the terms of the Receiving Agent's Agreement. A summary of the Registrar's Agreement is set out in paragraph 9.7 of Part 10 of this document and a summary of the Receiving Agent's Agreements is set out in paragraph 9.8 of Part 10 of this document.

16. Capital Structure

16.1 Share capital and duration

The Company's share capital structure will consist of Ordinary Shares. The Ordinary Shares will be in registered form and may be held in certificated or in uncertificated form.

The Company does not have a fixed winding-up date. In order to provide Shareholders with an opportunity to vote on the continuation of the Company if: (i) 85 per cent. of the Net Proceeds (excluding, for the avoidance of doubt, Credit Securities that are in the process of being reinvested) has not been invested within 6 months of the date of Admission; or (ii) the Dividend Target is not met in any Reporting Period; or (iii) in the event that on any Quarter Record Date applications for the Company to repurchase 50 per cent. or more of the Company's issued Ordinary Shares, calculated as at the relevant Quarter Record Date are received by the Company, the Company's Articles provide that if any of those events occur a General Meeting will be convened at which the Directors will propose an Ordinary Resolution that the Company should continue as an investment company. If any such Ordinary Resolution is not passed, the Directors shall draw up proposals for the voluntary liquidation, unitisation, reorganisation or reconstruction of the Company for consideration by the Shareholders at a General Meeting to be convened by the Directors for a date not more than 6 months after the date of the meeting at which such Ordinary Resolution was not passed.

16.2 Further issues of Ordinary Shares

Under the Articles further issues of shares, of whatever class, for cash will be subject to pre-emption rights conferred on existing Shareholders, save to the extent these rights have been disapplied by extraordinary resolution of the Company. The Directors currently have authority to issue further shares representing a number of Ordinary Shares equal to up to 300 per cent. of the number of Ordinary Shares in issue immediately following Admission on a non pre-emptive basis, provided that such number of Ordinary Shares to be issued pursuant to the Placing Programme may not exceed 500 million in aggregate with those Ordinary Shares issued pursuant to the Issue, such authority extending until the date of the first AGM expected to be held in July 2015. The Directors only intend to use this authority in the event that the Ordinary Shares trade at a premium to Net Asset Value and, consequently, the authority may be used in order to reduce any premium over NAV at which the Company's shares may be trading. As a consequence, further issues of Ordinary Shares will be made under the Placing Programme entirely at the Directors' discretion in respect of a number of Ordinary Shares equal to up to 300 per cent. of the number of Ordinary

Shares to be issued pursuant to the Placing Programme, which may not exceed 500 million in aggregate with those Ordinary Shares issued pursuant to the Issue, and only at prices (net of issue costs) that represent a premium of at least 2 per cent. to the prevailing cum income Net Asset Value per Ordinary Share and, therefore, will not have a dilutive effect on existing Shareholders.

The Directors currently intend to seek annual renewal of the authority to issue Ordinary Shares on a non-pre-emptive basis from Ordinary Shareholders in respect of a number of Ordinary Shares equal to up to 300 per cent. of the then issued Ordinary Shares.

Ordinary Shares issued under the Placing Programme may be issued under this Prospectus provided that the prospectus is updated by a supplementary prospectus (if required) under section 87G of FSMA. The Prospectus Rules currently allow for the issue of shares representing, over a period of 12 months, less than 10 per cent. of the number of shares of the same class already admitted to trading on the same regulated market, provided that such issue is not made by way of an offer of the Company's securities to the public.

The Company is permitted under the Articles to issue C Shares. The Company will (if required) publish a prospectus under section 87 of FSMA in the event that it resolves to exercise its power to issue any C Shares.

The proceeds from the issue of Ordinary Shares will be used in accordance with the Company's investment objective and policy, as described in paragraphs 2 and 4 above, which can only be materially changed with the approval of Shareholders.

17. Discount Management – Quarterly Tenders

With the objective of minimising the risk of the Ordinary Shares trading at a discount to NAV and to assist in the narrowing of any discount at which the Ordinary Shares may trade from time to time, the Company has incorporated into its structure a mechanism (a “**Quarterly Tender**”), contingent on certain factors as described below, to provide Shareholders with a quarterly opportunity to submit Ordinary Shares for placing or repurchase by the Company at a price representing a discount of no more than 2 per cent. to the then prevailing NAV.

Upon confirmation of the number of Tender Requests made in respect of each Quarter Record Date, the Company intends first, through its corporate broker acting on a reasonable endeavours basis, to seek to satisfy Tender Requests by placing the Tendered Shares with investors in the secondary market. Second, subject to the Tender Restrictions, the Company intends to repurchase for cancellation any Tendered Shares not placed in the secondary market.

Following Admission, it is anticipated that the Company will tender on a quarterly basis for up to 20 per cent. of the Ordinary Shares in issue as at the relevant Quarter Record Date, subject to an aggregate limit of 50 per cent. of the Ordinary Shares in issue in any twelve month period ending on the relevant Quarter Record Date. The Company's broker will first attempt to satisfy Tender Requests by placing the Tendered Shares in the market. The Company will then repurchase, subject to the Tender Restrictions, any Tendered Shares that its broker is not able to successfully place in the market at NAV less 2 per cent. It is anticipated that the first Quarterly Tender will be in respect of the quarter ending 30 September 2014.

The terms and conditions applicable to each Quarterly Tender, if made, are set out in Part 13 of this Prospectus and will also be contained, along with specific details for Quarterly Tenders in a given 12 month period, including all relevant deadlines, in an Annual Circular to be distributed to Shareholders in advance of each AGM.

17.1 Tender Price

The price at which Tendered Shares will be repurchased under any Quarterly Tender varies, depending on whether Tendered Shares are Placed Tendered Shares or Repurchased Tendered Shares, but in each case the Tender Price will be calculated as at the Tender NAV Determination Date.

Placed Tendered Shares will be placed in the market at such price as may be obtainable subject to a minimum of NAV less 2 per cent.

Repurchased Tendered Shares will be repurchased by the Company at NAV as at the relevant Quarter Record Date less 2 per cent.

Placed Tendered Shares and Repurchased Tendered Shares will be allocated against tendering Shareholder's Tender Requests in the following priority:

- (i) First, those Tendered Shares (if any) that can be placed in the market, will be allocated against tendering Shareholders' Excess Tender Applications, if any, on a *pro rata* basis, or until the Excess Tender Applications have been exhausted.
- (ii) Second, in the event that the Excess Tender Applications have been exhausted pursuant to (i) above, the remaining Tendered Shares (if any) that can be placed in the market will be allocated against tendering Shareholders' Basic Entitlements on a *pro rata* basis, or until Shareholders' Basic Entitlements have been exhausted.
- (iii) Third, Tendered Shares (if any), that cannot be placed in the market pursuant to (i) and (ii) above, will be repurchased by the Company on a *pro rata* basis until Shareholders' Basic Entitlements have been exhausted.

Shareholders will receive a *pro rata* proportion of the aggregate proceeds received on the sale or repurchase of all Placed Tendered Shares and Repurchased Tendered Shares, on or as soon as is reasonably practicable following the Tender Settlement Date.

The Company will finance the consideration for Repurchased Tendered Shares from available cash or cash equivalent resources of the Company. Cash may be generated through a *pro rata* redemption by the Company of its Portfolio and/or settlement of any Portfolio trade and/or short-term bank borrowings. The repurchase of Tendered Shares by the Company will be subject to the Company being able to pass the statutory solvency test prescribed by the Law.

17.2 Tender Restrictions

The operation of the Quarterly Tender is subject to the following restrictions (the "**Tender Restrictions**").

17.2.1 Quarterly Restriction

On each Quarter Record Date, the Company may repurchase a maximum of 20 per cent. of the Ordinary Shares (excluding treasury shares) as at the relevant Quarter Record Date.

The number of Ordinary Shares tendered for repurchase in excess of the Quarterly Restriction following placing in the market under paragraph 17.1(i) and (ii) of this Part 5 will be scaled back on a *pro rata* basis ("**Pro Rata Scaling Back**") and residual Ordinary Shares will be returned to Shareholders.

17.2.2 Annual Restriction

In each 12 month period ending on the relevant Quarter Record Date, no more than 50 per cent. of the Ordinary Shares (excluding treasury shares) as at the Annual Record Date may be repurchased by the Company.

The number of Ordinary Shares tendered for repurchase by the Company in excess of the Annual Restriction following placing in the market under paragraph 17.1(i) and (ii) of this Part 5 will be subject to a Pro Rata Scaling Back, residual Ordinary Shares will be returned to Shareholder and, following that quarter's Tender Purchases, Quarterly Tenders will be suspended until after the next Annual Record Date.

17.2.3 Shareholder Approval

The Quarterly Tender facility and the Company's authority to operate the Quarterly Tender facility is subject to approval by the Shareholders by passing a Special Resolution at a General Meeting on an annual basis, or at an earlier General Meeting if the Directors so resolve.

17.2.4 Board Discretion

Whether or not the Company will make a Quarterly Tender will depend upon the Board's discretion taking into consideration protecting the interests of Shareholders in abnormal markets, whether the Company can satisfy the statutory solvency test and if the Company may make any such tender under Law, the Listing Rules and the Disclosure and Transparency Rules and without the Company being classified as an open-ended investment company as defined in FSMA.

17.3 Basic Entitlement and Excess Tenders

Pursuant to a Quarterly Tender, Shareholders may tender up to 100 per cent. of their Ordinary Shares for repurchase by the Company (a “**Tender Request**”). Given the limit imposed by the Quarterly Restriction, upon a Quarterly Tender each Shareholder is entitled to have 20 per cent. of their Shareholding at the relevant Quarter Record Date repurchased, unless such percentage needs to be reduced to comply with the Annual Restriction (the “**Basic Entitlement**”). There is, however, no limit to the percentage of their Shareholding that Shareholders may tender but Tender Requests exceeding the Basic Entitlement (and not subject to a Pro Rata Scaling Back) will only be satisfied to the extent that other Shareholders do not submit Tender Requests or submit Tender Requests for Ordinary Shares which represent less than their Basic Entitlement. Any such excess tenders will be satisfied on a *pro rata* basis.

17.4 Procedure

17.4.1 Process and settlement

The Company intends to set out in each Annual Circular the deadlines that will apply to the next four Quarterly Tenders if the Quarterly Tender facility is approved by Shareholders on the anticipated terms at the relevant AGM. The same details will also be published on the Company’s Website. The Company currently has authority in relation to the Quarterly Tenders that will occur prior to the Company’s first AGM in 2015. The notice contained in Appendix 2 to this Prospectus sets out the deadlines that apply to the 2014-2015 Quarterly Tenders.

Certificated Shareholders wishing to use the Quarterly Tender facility in respect of any relevant quarter must submit the Tender Form to the Receiving Agent by no later than the Tender Submission Deadline, together with the relevant Ordinary Share certificate(s).

Uncertificated Shareholders wishing to use the Quarterly Tender facility in respect of any relevant quarter must submit an irrevocable TTE Instruction to CREST in favour of the Receiving Agent to clear by no later than the Tender Submission Deadline.

Any Tendered Shares subject to a Pro Rata Scaling Back will be returned as soon as practicable to the relevant Shareholders. Shares eligible for Tender Purchase will be placed by the Company’s broker in the market within 10 Business Days of the Tender Submission Deadline. In the event that the Company’s broker is unable to find a purchaser(s) in the market for eligible Tendered Shares, those Tendered Shares will be repurchased by the Company, provided that any such repurchase will at all times be subject to the Tender Restrictions.

Settlement of Tender Purchases will occur on or as soon as is reasonably practicable following the Tender Settlement Date and monies owed to Shareholders will be sent by cheque to the addresses detailed by the relevant Shareholders in the Tender Forms and TTE Instructions.

17.4.2 Announcements

On or as soon as is reasonably practicable following each Tender Submission Deadline, an RIS announcement will be released informing Shareholders of the aggregate number of Ordinary Shares in respect of which Tender Requests have been made.

As soon as is practicable following each Tender NAV Determination Date, a further RIS announcement will be made informing Shareholders of the Net Asset Value per Ordinary Share, average price achieved in the placing of Placed Tendered Shares and the resulting Tender Price, being a *pro rata* proportion of the aggregate proceeds received on the sale or repurchase of all Placed Tendered Shares and Repurchased Tendered Shares. The announcement will also set out the number of Tendered Shares (if any) placed in the market, the number of Tendered Shares repurchased by the Company and the extent of any Pro Rata Scaling Back due to the aggregated Tender Requests exceeding the Quarterly Restriction and/or the Annual Restriction, as applicable.

If, at any point, the 50 per cent. threshold in the Annual Restriction is reached in the relevant annual period, an RIS announcement will be made informing Shareholders that there will be no further Quarterly Tenders in respect of the Ordinary Shares until commencement of the following annual period.

17.4.3 Restrictions relating to Tendered Shares

Shareholders will not be permitted to deal in any way with Shares which are subject to a Tender Form or TTE Instruction unless and until a proportion of such Shares are released back to the relevant Shareholder pursuant to a Pro Rata Scaling Back. During the period of time running from the submission of the Tender Form or TTE Instruction to the relevant Tender Settlement Date to either (i) the relevant Tender Settlement Date; or (ii) where the Tender Requests are subject to a Pro Rata Scaling Back, the return of Shares to the relevant Shareholder, the Shareholder holding legal title to the Ordinary Shares shall be entitled to exercise their rights to capital, income and/or voting attributable to the Ordinary Shares and accruing (if at all) during such period.

17.4.4 Annual Renewal by the Company of the Quarterly Tender Facility

Renewal of the authority to operate the Quarterly Tender facility will be sought from Shareholders through a Special Resolution at the 2015 AGM and at each AGM thereafter, or at an earlier General Meeting if the Directors so resolve. The Annual Circular will contain a notice convening the AGM and will set out the terms and conditions that will apply to each of the Quarterly Tenders to which the authority sought from Shareholders will relate. The terms and conditions of the Quarterly Tenders are also set out in Part 13 of this Prospectus.

Repurchased Tendered Shares shall be cancelled by the Company.

17.4.5 General

Prospective investors should note that there can be no guarantee that the Quarterly Tender facility will be provided by the Company and, if provided, there can be no guarantee that the facility will be successful in mitigating any discount at which the Ordinary Shares trade to their NAV. The Directors accept no responsibility for any failure of such facility to effect a reduction in any discount. Further, prospective investors should note that the operation of the Quarterly Tender facility is subject to the restrictions described in paragraph 17.2 of this Part 5 and the provisions of the Law and that, in certain circumstances as described above, such facility may not be available to Shareholders.

18. Discount Management – General Share Buybacks

In addition to the Quarterly Tenders described in paragraph 17 of this Part 5, under the Company's Articles, the Company may purchase Ordinary Shares in the market at prices which represent a discount to the prevailing NAV per Share so as to enhance the NAV per Share for the remaining holders of Ordinary Shares. Subject to satisfying a statutory solvency test, the Company is authorised to make market purchases of up to 14.99 per cent. of the aggregate number of issued Ordinary Shares immediately following Admission.

The Board will consider whether the Company should purchase Ordinary Shares where such Shares are quoted in the market at a discount in excess of 5 per cent. to Net Asset Value per Ordinary Share. The making and timing of any share buybacks is at the absolute discretion of the Board and is expressly subject to the Board determining that the Company has sufficient surplus cash resources available (excluding borrowed monies).

The Board intends to seek Shareholder approval to renew its authority to make market purchases of its own issued Ordinary Shares once its existing authority has expired or at subsequent AGMs.

Under the Listing Rules, the maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of (i) 5 per cent. above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made, or (ii) the higher of the price of the last independent trade and the highest current investment bid for the Ordinary Shares. In addition, Ordinary Shares will be repurchased only at prices below the NAV per Ordinary Share, which should have the effect of increasing the NAV per Ordinary Share for remaining Shareholders.

Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board and only in accordance with the Law, the Listing Rules, and the Disclosure and Transparency Rules. Any purchase of Shares would be made out of the available cash or cash equivalent resources of the Company or from borrowings.

Ordinary Shares bought back by the Company will be cancelled.

At the date of this Prospectus, the Company did not hold any Ordinary Shares in treasury.

19. Dividend Policy

The Board intends to distribute an amount at least equal to the value of the Company's net income arising each financial year to the holders of Ordinary Shares. For these purposes, the Company's income will include the coupon payable by the Credit Securities in the Portfolio and the amortisation of any discount or premium to par at which a Credit Security is purchased over its remaining expected life, prior to maturity.

The Board expects that dividends will constitute the principal element of the return to the holders of Ordinary Shares.

The Board believes that following an initial investment period of 3 months, the monthly dividend will be a minimum of 0.5p per Ordinary Share.* The Board intends within the final interim dividend of each financial year to distribute an amount equal to the value of any net income of the Company for that financial year remaining after payment of the monthly dividends.

In the absence of unforeseen circumstances, dividends on the Ordinary Shares will be payable monthly, all in the form of interim dividends (the Company does not intend to pay any final dividends). Subject to market conditions and the level of the Company's net income, it is intended that the first interim dividend will be paid in July 2014.

The Company may offer Shareholders the opportunity to elect to receive dividends in the form of further Ordinary Shares.

Dividends will only be paid subject to the Company satisfying the solvency test prescribed by the Law.

20. Shareholder Information

The Company's annual report and accounts will be prepared up to 30 September each year and copies will normally be sent to Shareholders within 4 months of that date. Shareholders will also receive an unaudited half year report covering the six months to 31 March each year which is expected to be despatched within 2 months of that date. The Company's first unaudited half year report will cover the period running from 1 October 2014 to 31 March 2015. The Net Asset Value of an Ordinary Share will be published weekly and information on performance, holdings and investment activity will be published monthly by the Portfolio Manager in the form of a factsheet to be made available on the Company's Website.

Following the AIFMD Implementation Date, and in accordance with the AIFM Rules, the Company's AIFM will ensure that the following information in relation to the Company's portfolio is published in the Company's annual report and audited accounts, which can be found on the Company's website – www.selectmonthlyincomefund.com

- the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature;
- any new arrangements for managing the liquidity of the Company;
- the current risk profile of the Company and the risk management systems employed by Phoenix to manage those risks;
- any changes to the maximum level of leverage which Phoenix and the Portfolio Manager may employ on behalf of the Company as well as any right of the re-use of collateral or any guarantee granted under the leveraging arrangement. The Company will, in addition, notify Shareholders of any such changes, rights or guarantees without undue delay by issuing an announcement via an RIS; and
- the total amount of leverage employed by the Company.

21. Regulatory Status

The Company is a registered closed-ended collective investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended and the Registered Collective Investment Scheme Rules 2008 issued by the GFSC. The Company is not (and is not

* This is a target only and not a profit forecast. There can be no assurance that this target will be met or that the Company will make any distributions at all. This target return should not be taken as an indication of the Company's expected or actual current or future results. The Company's actual return will depend upon a number of factors, including but not limited to the size of the Issue and the Company's total expense ratio. Potential investors should decide for themselves whether or not the return is reasonable and achievable in deciding whether to invest in the Company. See further under paragraph 1.6 of the "Risk Factors".

required to be) regulated or authorised by the FCA under FSMA but, in common with other issuers listed on the Official List, is subject to the Listing Rules and the Disclosure and Transparency Rules made by the FCA and is bound to comply with applicable laws including the Law and FSMA.

22. Corporate Governance

22.1 Compliance

The Company is subject to the GFSC's Finance Sector Code of Corporate Governance which applies to all companies that hold a licence from the GFSC under the regulatory laws or which are registered or authorised as collective investment schemes. The GFSC requires an assurance statement from the Company confirming that the Directors have considered the effectiveness of their corporate governance practices and are satisfied with their degree of compliance with the principles set out in the GFSC Code, or the alternative codes accepted by the GFSC, in the context of the nature, scale and complexity of the business. As the Company will report against the UK Corporate Governance Code (as discussed further below), it will be deemed to meet the requirements of the GFSC Code.

The Board is committed to high standards of corporate governance and has made arrangements to enable the Company, as a newly incorporated company, to comply with the recommendations of the Corporate Governance Code published by the Financial Reporting Council. The Board intends to obtain membership of the AIC following Admission and as such, intends to comply with the UK Corporate Governance Code as recommended by the AIC Code or as otherwise may be disclosed from time to time.

As an investment company, most of the Company's day-to-day responsibilities are delegated to third parties and the Directors are all non-executive. Thus not all the provisions of the Corporate Governance Code are directly applicable to the Company. The Board intends to take appropriate action to ensure that the appropriate level of corporate governance is attained and the Company's practices are consistent with the Principles of the Corporate Governance Code.

For the reasons referred to below, the Company does not intend to comply with the Corporate Governance Code provisions relating to:

- (a) the role of the chief executive;
- (b) executive directors' remuneration;
- (c) the need for an internal audit function; and
- (d) the need for a separate nomination committee.

For the reasons set out in the AIC Guide, and in the preamble to the AIC Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. The Company will therefore not report in respect of these provisions.

22.2 Internal Audit

As the Company delegates to third parties its day-to-day operations and has no employees, the Board has determined that there are no requirements for an internal audit function. The Board will review annually whether a function equivalent to an internal audit is needed and it intends to monitor its systems of internal controls in order to provide assurance that they operate as intended.

22.3 Board Independence, Composition and Tenure

The Board, chaired by Claire Whittet who is responsible for its leadership and for ensuring its effectiveness in all aspects of its role, currently consists of three non-executive Directors. The Board intends to appoint another director after Admission and will notify Shareholders by an RIS once this appointment has been made. The Board will meet at least four times a year and will receive full information about the Company's investment performance assets, liabilities and other relevant information in advance of Board Meetings. The Directors' biographical details, set out in paragraph 6 of this Part 5, demonstrate a breadth of investment, commercial and professional experience. The Directors will review their independence annually.

All Directors have agreed to stand for re-election annually.

Given its non-executive nature, the Board does not think it is appropriate for the Directors to be appointed for a specified term of no more than 3 years as recommended by the Corporate Governance Code.

The Chairman will regularly review the training and development needs of each Director. Directors' appointments will be reviewed formally every three years by the Board. Any Director may resign in writing to the Board at any time.

The Board will also receive regular briefings from, amongst others, the Company's auditor regarding any proposed developments or changes in laws or regulations that could affect the Company and/or the Directors.

22.4 Audit Committee

The Audit Committee will meet at least twice per year. It comprises the entire Board including the Chairman and is chaired by Christopher Legge. The Audit Committee is responsible for the review of the annual report and the half year report, the nature and scope of the external audit and the findings therefrom, and the terms of appointment of the auditors, including their remuneration and the provision of any non-audit services by them.

The Audit Committee will review the need for non-audit services and authorise such on a case by case basis.

The Audit Committee will meet representatives of the Administrator, the Company's AIFM and the Portfolio Manager and their compliance officers who will report as to the proper conduct of business in accordance with the regulatory environment in which the Company, the Administrator, the Company's AIFM and the Portfolio Manager operate. The Company's auditor will also attend the Audit Committee at its request and report on its work procedures, the quality and effectiveness of the Company's accounting records and its findings in relation to the Company's statutory audit. The Company will meet with the auditor, without representatives of the Administrator and the Portfolio Manager being present, at least once a year.

22.5 Management Engagement Committee

The Management Engagement Committee will meet at least once per year. It comprises the entire Board and is chaired by Thomas Emch. The Management Engagement Committee is responsible for the regular review of the terms of the Administration Agreement and Portfolio Management Agreement with, and the performance of, the Administrator, the Company's AIFM and Portfolio Manager and also the Company's other service providers.

22.6 Policy on Directors' Fees

The aggregate fees of the non-executive Directors will not exceed £150,000. There are no performance conditions attaching to the remuneration of the Directors as the Board does not believe that this is appropriate for non-executive directors. The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

22.7 Directors' Letters of Appointment

It is the Board's policy that none of the Directors has a service contract. The terms of the Directors' appointment provide that they will retire and be subject to election at the first AGM after their appointment and at every AGM held after the ninth anniversary of their appointment. In addition, the Articles require that any Director who was not appointed or re-appointed at one of the preceding two AGMs shall retire from office but shall remain eligible for re-appointment. Those terms also provide that a Director may be removed without notice and that compensation will not be due on leaving office. As noted above, all the Directors have agreed to stand for re-election annually.

23. Taxation

A summary of certain limited aspects of UK and Guernsey taxation applicable to the Company and Shareholders is contained in Part 9 of this Prospectus. If any potential investor is in any doubt about the tax consequences of his/her acquiring, holding or disposing of Shares, he/she should seek advice from his/her own independent professional adviser.

24. Financial Information

24.1 Financial Reports

The audited annual financial statements of the Company will be drawn up in Sterling and prepared in accordance with the Law, International Financial Reporting Standards and the Listing Rules. Financial statements prepared by the Company in accordance with IFRS will include a statement of comprehensive income, which will reflect all transactions in relation to the Credit Securities within the 'other net changes in fair value on financial assets at fair value through profit or loss' line item.

The Company's annual report and financial statements will be prepared up to 30 September each year and it is expected that copies will be sent to Shareholders within four months of the year-end. The first year end will be 30 September 2014. The first AGM following Admission is expected to be held in January 2015.

An unaudited interim report covering the six months to the end of 31 March in each year will be published within two months of that date.

Interim management statements will also be prepared during the first and second six month periods of the financial year. The statements will be made in a period between 10 weeks after the beginning and six weeks before the end of the relevant six month period. The interim management statements will be made public by the Company by an announcement issued through a Regulatory Information Service.

24.2 Annual Running Expenses

In addition to management, administration and secretarial fees referred to above and in Part 10 of this document, the Company will pay all other fees and expenses incurred in the operation of its business including, without limitation:

- brokerage and other transaction charges and taxes;
- Directors' fees and expenses;
- fees and expenses for depositary, custodial, registrar, legal, auditing and other professional services;
- any borrowing costs;
- the ongoing costs of maintaining the listing of the Ordinary Shares on the premium segment of the Official List and their continued admission to trading on the Main Market;
- NAV publication costs;
- the ongoing costs of maintaining the Company's status as a registered closed-ended collective investment scheme;
- directors and officers insurance premiums;
- promotional expenses (including membership of any industry bodies, including the AIC, and marketing initiatives approved by the Board); and
- costs of printing the Company's financial reports and posting them to Shareholders.

Assuming that the Issue is fully subscribed, the Company's total fixed operational costs (excluding brokerage and other transaction charges and taxes and any borrowing costs) are estimated in the first year after Admission to amount to not more than approximately 1.09 per cent. per annum of the Company's estimated Net Asset Value on Admission.

Shareholders do not bear any fees, charges and expenses directly, other than any fees, charges and expenses incurred as a consequence of acquiring, transferring, redeeming or otherwise selling Ordinary Shares.

24.3 Allocation of Ongoing Costs

Interest expenses are recognised within 'finance costs' in the Statements of Comprehensive income using the effective interest rate method. All other expenses are recognised in the Statements of Comprehensive income in the period in which they are incurred (on an accruals basis).

24.4 NAV Calculations

The unaudited Net Asset Value per Ordinary Share will be calculated as at the close of business on every Wednesday that is also a Business Day and the last Business Day of every month by the Administrator and is expected to be announced through a Regulatory Information Service on

the following Business Day. Such unaudited NAV will be calculated on the same basis as the calculation of the NAV per Ordinary Share for the purpose of the Company's financial statements.

The Net Asset Value per Ordinary Share will be calculated in accordance with IFRS and the AIC's Guide, and from the AIFMD Implementation Date, will be calculated in accordance with the AIFM Rules. Accordingly, NAV calculations will be prepared on the following basis:

Credit Securities that are traded or dealt on an organised market or exchange will be valued by reference to their quoted market mid price as at the close of trading on the relevant Dealing Day. The quoted market mid price used will be based on the last traded market mid price. All instructions to issue or cancel Ordinary Shares given for a prior Dealing Day shall be assumed to have been carried out (and any cash paid or received).

Credit Securities that are not traded or dealt on an organised market or exchange will be valued by reference to their mid price, as at the close of business on the relevant Dealing Day as determined by independent price vendors (such as S&P Capital IQ). If a price cannot be obtained from an appropriate independent price vendor, or where the Portfolio Manager determines that the provided price is not an accurate representation of the fair value of the Credit Security, the Portfolio Manager will source mid prices as at the close of the relevant Dealing Day from third party broker/dealer quotes for the relevant security.

In cases where no third party price is available (either from an independent price vendor or third party broker/dealer quotes), or where the Portfolio Manager determines that the provided price is not an accurate representation of the fair value of the Credit Security, the Portfolio Manager will determine the fair valuation based on the Portfolio Manager's valuation policy.

The overall criterion for fair value is a price at which a round lot, being the minimum amount that may be sold of a particular security, of the securities involved would change hands in a transaction between a willing buyer and a willing seller, neither being under compulsion to buy or sell and both having the same knowledge of the relevant facts.

Consistent with the above criterion, the following criteria will be considered when applicable:

- valuation of other securities by the same issuer for which market quotations are available;
- reasons for the absence of market quotations;
- the soundness of the security, its interest yield, the date of maturity, the credit standing of the issuer and current general interest rates;
- recent sales prices and/or bid and ask quotations for the security;
- value of similar securities of issuers in the same or similar industries for which market quotations are available;
- economic outlook of the relevant industry;
- an issuer's position in the relevant industry;
- the financial statements of the issuer; and
- the nature and duration of any restriction on disposition of the security.

The value of other assets held within the Portfolio will be determined as follows:

- over-the-counter derivative contracts such as Interest Rate Swaps will be valued on a weekly basis. This may be done using reference to data supplied from an independent data source, eg. S&P Capital IQ, or an alternative vendor as deemed suitable by the Directors. Where data from an independent data source is not available, the valuation may be done by using the counterparty's valuation provided that the valuation is approved or verified by a party who is approved for the purpose by the Directors and who is independent of the counterparty;
- forward foreign exchange contracts will be valued by reference to freely available market quotations such as Bloomberg data;
- cash or near cash will be held at par;
- the Company's investments in secured loans, which are generally unlisted investments, are priced on a weekly basis by reference to data supplied from an independent data source, eg. S&P Capital IQ, or an alternative vendor as deemed suitable by the Directors. Where fair value cannot be reliably measured, the investments are carried at the previous reporting date value unless there is evidence that the investment has since impaired. In such cases, the value is reduced to reflect the estimated extent of the impairment; and

- all other property contained within the Company's portfolio of assets will be priced at a value which, in the opinion of the Directors, represents a fair and reasonable price.

If there are any outstanding agreements to purchase or sell any of the Company's portfolio of assets which are incomplete, then the valuation will assume completion of the agreement.

Added to the valuation will be:

- any accrued and anticipated tax repayments of the Company;
- any money due to the Company because of Ordinary Shares issued prior to the relevant Dealing Day;
- income due and attributed to the Company but not received; and
- any other credit of the Company due to be received by the Company.

Amounts which are *de minimis* may be omitted from the valuation.

Deducted from the valuation will be:

- any anticipated tax liabilities of the Company;
- any money due to be paid out by the Company because of Ordinary Shares bought back by the Company prior to the valuation;
- the principal amount and any accrued but unpaid interest on any borrowings; and
- any other liabilities of the Company, with periodic items accruing on a weekly basis.

Amounts which are *de minimis* may be omitted from the valuation.

The calculation of the Net Asset Value per Ordinary Share will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service as soon as practicable.

25. Liquidity Risk Management

The Company's AIFM shall maintain a liquidity management policy to monitor the liquidity risk of the Company. Shareholders have no right to redeem their Ordinary Shares from the Company, but do have the opportunity to have their Ordinary Shares bought back by the Company in accordance with the Quarterly Tender facility described in paragraph 17 of this Part 5, but may trade their Ordinary Shares on the secondary market. However, there is no guarantee that there will be a liquid market in the Ordinary Shares.

Further details regarding the risk management process and liquidity management shall be available from the Company's AIFM, on request.

26. Governing Law

The agreement between Shareholders and the Company for the acquisition of Ordinary Shares under the Placing, the Offer for Subscription or the Placing Programme is governed by English law and, by purchasing Ordinary Shares, Shareholders agree that the courts of England have exclusive jurisdiction to settle any disputes. All communications in connection with the purchase of Ordinary Shares will be in English.

PART 6: INVESTMENT OPPORTUNITY

1. Background

In an attempt to stimulate economic recovery many of the key central banks, including the Federal Reserve in the US, the Bank of England and the European Central Bank, have initiated a number of strategies to stimulate the respective economies including injecting enormous amounts of cheap liquidity into capital markets (e.g. through the various bond-buying programmes). A result of this stimulation has been a dramatic and sustained parallel reduction in yield curves (i.e. a reduction in interest rates paid by government bonds at all maturities along the curve, 6 months, 1 year, 5 years, 10 years etc.) together with a tightening of credit spreads (i.e. the spread over government bonds paid by corporates when they borrow), which in turn has made it increasingly difficult for bond funds to generate attractive levels of income. The cheap central bank financing has created a “liquidity wave” that has driven corporate bond and loan spreads from the historically wide levels seen in 2009 back towards their historical means, a trend that looks set to continue. This liquidity wave has had most impact on the best known and most popular sectors of the market place such as the large, liquid, corporate bond issues that offer volume and competition from secondary market makers. Conversely, other parts of the market, that do not attract the attention of the big bond funds, have lagged behind this systemic tightening and can still offer cheap and compelling investments with an attractive yield pickup to the more actively traded securities, in many cases for the same issuers.

2. Opportunity

The tightening in credit spreads has made ‘income’ a scarce commodity which is highly sought after by investors. Credit markets currently offer the most reliable source of income, relative to other assets such as equities and property, where investors typically have to take further ancillary risks to obtain the income, including the risk of the income varying over time and the risk that the value of the investment at the scheduled realisation date is below the level expected. By contrast, provided the issuer does not default or reschedule the debt, an investor in a bond will typically expect to receive regular income on either a fixed or formulaic basis and to receive a fixed amount of principal at the maturity of the bond.

The Portfolio Manager will aim to build a diversified portfolio of Credit Securities from the less liquid parts of the market. The managers will not be limited by sector or industry but will select assets on a relative value basis across the whole credit universe, concentrating on those assets deemed unsuitable for a daily liquidity fund solely due to being less liquid. These securities offer better value for a range of reasons:

- Having been issued in small size, the bonds do not attract the attention of the larger funds;
- The bonds may have been tendered for in the past and only a small legacy amount remain outstanding; thereby rendering them ineligible for inclusion on active secondary trading lists;
- Mezzanine parts of the Asset Backed Security market have remained less liquid as the buyer base has been re-established since the crisis and issue sizes are often small;
- Many Asset Backed Security tranches are very small and, once allocated at new issue, rarely trade, with few investors prepared to price small tranches as and when they do come up for sale; and
- Pay-In-Kind (PIK) notes are usually less frequently traded and the limited universe of buyers means that they trade at a discount to more conventional corporate bond issues.

3. Investment Process

The objective of the investment process is to source relatively cheap assets and therefore the prime focus of income generation will be bottom-up, stock picking of investments. However, Interest Rate Duration is one of the largest risks of investing in Credit Securities and this will be managed strategically through a top-down process. The Portfolio Manager will manage the amount of the Company’s Interest Rate Duration risk through the use of interest rate swaps to suit the underlying economic cycle. Interest Rate Duration is expected initially to be kept very low as central bank policy returns rates to more conventional levels. Interest Rate Duration will thereafter be set depending on how the economic cycle develops and will be managed by TwentyFour’s Investment Committee, the objective being to fix rates at a point in the cycle when rates have peaked and run the risk of being reduced.

4. Sector/Industry

The Company will not be restricted to any sector or industry within the credit market but will instead be able to target securities from a wide range of areas. The majority of securities are expected to be selected from the banking, insurance, high yield corporate and Asset Backed Securities sectors.

PART 7: THE ISSUE

1. Introduction

The Issue consists of a placing and an offer for subscription of Ordinary Shares which are being issued at 100p per Ordinary Share. Investors will not be charged a fee in addition to their payment of the Issue Price in order to subscribe for Ordinary Shares, as the Issue Expenses will be met out of the proceeds of the Issue. The Issue Expenses are therefore an indirect charge to investors. Subject to the Placing Programme described in Part 8 of this Prospectus the Issue constitutes an opportunity to purchase Ordinary Shares in the Company. The total number of Ordinary Shares issued under the Placing and Offer for Subscription will be determined by the Company, Numis and the Portfolio Manager after taking into account demand for the Ordinary Shares and prevailing economic and market conditions, subject to a maximum of 150 million Ordinary Shares.

The Placing and Offer for Subscription are conditional amongst other things on Admission having become effective on or before 8.00 a.m. on 10 March 2014 or such later time and/or date as the Company and Numis may agree (being not later than 8.00 a.m. on 31 March 2014). Neither the Placing nor the Offer for Subscription is underwritten. The decision whether to proceed with the Issue will be at the absolute discretion, and subject to the agreement, of the Directors, the Portfolio Manager and Numis.

Further details on the conditions to the Placing and Offer for Subscription are set out below.

2. The Placing

Up to 150 million Ordinary Shares are available to be placed on behalf of the Company at the Issue Price to raise £150 million before expenses.

The Issue is conditional upon:

- (i) the Placing Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms prior to Admission; and
- (ii) Admission becoming effective not later than 8.00 a.m. on 10 March 2014 or such later time and/or date as Numis and the Company may agree in writing, (being not later than 8.00 a.m. on 31 March 2014).

Further details of the Placing Agreement are set out in paragraph 9.6 of Part 10 of this document.

The Directors have agreed to participate in the Placing by subscribing for a total of 60,000 Ordinary Shares at the Issue Price. The Directors are not proposing to apply for Ordinary Shares under the Offer for Subscription.

Placees will receive a contract note following closing of the Placing and prior to Admission of the Ordinary Shares notifying them of the number of Ordinary Shares they will receive. Deals in the Ordinary Shares issued pursuant to the Placing will not be permitted prior to Admission.

3. The Offer for Subscription

Ordinary Shares are also being made available to the public in the United Kingdom (other than certain overseas investors) through the Offer for Subscription at 100p per Ordinary Share payable in full on application.

Applications under the Offer for Subscription must be for a minimum of 1,000 Ordinary Shares (representing a subscription price of £1,000) and thereafter in multiples of 100 Ordinary Shares. The Directors may, in their absolute discretion, after taking into account the demand for Ordinary Shares under the Placing and Offer for Subscription and economic and market conditions, waive the minimum initial subscription requirement in respect of any particular application under the Offer for Subscription. Multiple subscriptions under the Offer for Subscription by individual investors will not be accepted.

The Ordinary Shares will be a qualifying investment for the stocks and shares component of an ISA, provided they are acquired by an ISA plan manager through an offer to the public (such as the Offer for Subscription) or in the market, but not through the Placing or Placing Programme. Any person wishing to apply for Ordinary Shares under the Offer for Subscription through an ISA should contact their ISA manager as soon as possible.

The terms and conditions of application under the Offer for Subscription are set out in Part 12 of this document. The procedure for applying for Ordinary Shares under the Offer for Subscription and an application form for use under the Offer for Subscription can be found at Appendix 1 to this document.

Payment must be made by cheque or banker's draft or by electronic interbank transfer (CHAPS). Payment by cheque or banker's draft must be in pounds Sterling drawn on a branch in the United Kingdom of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds (the account name should be the same as that shown on the Application Form), must be made payable to "CIS PLC re – TwentyFour Select Monthly Income Fund Limited IPO" and crossed "A/C Payee". Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect.

Payment by electronic interbank transfer (CHAPS) must be accompanied by a personalised payment reference number which may be obtained by contacting Computershare Investor Services PLC directly on 0870 707 4040. Payment by CHAPS must come from a personal account in the name of the individual investor where they have sole or joint title to the funds (the account name should be the same as that shown on the Application Form).

Completed Application Forms accompanied by a cheque or banker's draft for the full amount due or indicating that a CHAPS payment for the full amount has been made must be posted to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH or delivered by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, so as to be received by no later than 11.00am on 4 March 2014 at which time and date the Offer for Subscription will close. The Directors may, with the prior approval of the Portfolio Manager and Numis, alter such date by shortening or lengthening the offer period under the Offer for Subscription. The Company will notify investors of any such change through the publication of a notice through a Regulatory Information Service.

4. Dealings and Settlement

Application will be made to the UK Listing Authority for up to 150 million Ordinary Shares to be issued pursuant to the Issue and admitted to the premium segment of the Official List and to the London Stock Exchange for the Ordinary Shares to be admitted to trading on its Main Market. It is expected that Admission will occur and that dealing in the Ordinary Shares will commence on 10 March 2014.

Subject to the Issue becoming unconditional, the Ordinary Shares will be issued on 10 March 2014, fully paid and in registered form, and may be delivered into CREST or in certificated form. Applicants under the Offer for Subscription wishing to have their Ordinary Shares delivered to a CREST stock account in their own name, which is expected to take place on 10 March 2014, should include their CREST details in section 5 of the Application Form. Temporary documents of title will not be issued pending the despatch of definitive certificate for Ordinary Shares issued in certificated form, which is expected to take place in the week commencing 24 March 2014. Dealing in Ordinary Shares in advance of the crediting of the relevant CREST accounts or the issue of share certificates will be at the risk of the person concerned.

When admitted to trading, the Ordinary Shares will be registered with ISIN number GG00BJVDZ946 and SEDOL number BJVDZ94.

5. Announcements regarding the Placing and Offer for Subscription

The results of the Placing and the Offer for Subscription and the basis of allocation are expected to be announced by the Company through a Regulatory Information Service on or around 10 March 2014 and, in any event, prior to Admission. Dealings in the Ordinary Shares issued pursuant to the Issue will not be permitted prior to Admission.

6. Conditions of the Issue

The Issue is conditional on, among other things, (i) minimum net proceeds totalling not less than £75 million being raised pursuant to the Placing and Offer for Subscription, (ii) the Placing Agreement not being terminated in accordance with its terms at any time prior to Admission and (iii) Admission occurring by 8.00 a.m. on 10 March 2014 (or such later date as the Company, the Portfolio Manager and Numis may agree, being in any event not later than 8.00 a.m. on 31 March 2014).

The issue of Ordinary Shares pursuant to the Placing and Offer for Subscription will be revoked if Admission has not occurred by 8.00 a.m. on 10 March 2014 (or such later date as the Company, the Portfolio Manager and Numis may agree, being in any event not later than 8.00 a.m. on 31 March 2014) or, if earlier, on the date on which the Issue ceases to be capable of becoming conditional. Any such revocation will be announced by the Company through a Regulatory Information Service as soon as practicable after the Company has become aware of the occurrence of the event that has resulted in such revocation.

In the event that the Issue does not proceed for whatever reason, application monies will be returned, without interest, to investors by returning an investor's cheque or by crossed cheque in favour of the first named applicant, by post at the risk of the person entitled thereto.

7. Scaling back

The Directors are authorised to issue up to 150 million Ordinary Shares pursuant to the Issue. To the extent that applications under the Issue are made for more than 150 million Ordinary Shares, applications under the Offer for Subscription will be scaled back *pro rata*.

To the extent that the subscription monies received by the Company in relation to any application for Ordinary Shares through the Offer for Subscription exceed the aggregate value, at their Issue Price, of the Ordinary Shares issued pursuant to such application, the balance of such sum will be returned without interest by cheque sent by post to, and at the risk of the applicant concerned.

8. Costs of the Issue

Assuming that the Issue is fully subscribed, and the expenses of the Issue are £2,881,439, the net proceeds of the Issue will be £147,118,561 (inclusive of applicable VAT).

9. Use of proceeds

The net proceeds of the Issue will be invested by the Portfolio Manager on behalf of the Company in accordance with the Company's published investment policy.

10. Profile of typical investor

The typical investors for whom the Ordinary Shares are intended are professionally advised private investors or institutional investors seeking principally income returns from a portfolio of Credit Securities.

11. Money Laundering

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the United Kingdom and in Guernsey, the Company and its agents, the Company's AIFM, Numis or Computershare Investor Services PLC may require evidence of the identity of each investor in connection with any application for Ordinary Shares, including further identification of the applicant(s) before any Ordinary Shares are issued.

12. U.S. Purchase and Transfer Restrictions

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

The Company has elected to impose the restrictions described below on the issue and on the future trading of the Ordinary Shares so that the Company will not be required to register the offer and sale of the Ordinary Shares under the Securities Act, so that the Company will not have an obligation to register as an investment company under the Investment Company Act and related rules and to address certain ERISA, Tax Code, FATCA and other considerations. These transfer

restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of holders of the Ordinary Shares to trade such securities. Due to the restrictions described below, potential investors in the United States and U.S. Persons are advised to consult legal counsel prior to making any offer, resale, exercise, pledge or other transfer of the Ordinary Shares. The Company and its agents will not be obligated to recognise any resale or other transfer of the Ordinary Shares made other than in compliance with the restrictions described below.

13. Restrictions due to lack of registration under the Securities Act and Investment Company Act restrictions

The Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Ordinary Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons. There will be no public offer of the Ordinary Shares in the United States. Subject to certain exceptions, the Ordinary Shares are being offered and sold only outside the United States to persons who are not U.S. Persons in reliance on the exemption from registration provided by Regulation S under the Securities Act.

Moreover, the Company has not been and will not be registered under the Investment Company Act and investors will not be entitled to the benefits of the Investment Company Act. The Ordinary Shares and any beneficial interests therein may only be transferred in an offshore transaction in accordance with Regulation S (i) to a person outside the United States and not known by the transferor to be a U.S. Person, by pre-arrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

PART 8: THE PLACING PROGRAMME

1. Introduction

The Company has made arrangements under which the Board has discretion to issue pursuant to the Placing Programme a number of Ordinary Shares equal to up to 300 per cent. of the number of Ordinary Shares issued pursuant to the Issue, provided that such number of Ordinary Shares to be issued pursuant to the Placing Programme may not exceed 500 million in aggregate with those Ordinary Shares issued pursuant to the Issue. The Placing Programme is intended to be flexible and may have a number of closing dates in order to provide the Company with the ability to issue Ordinary Shares over a period of time. The Placing Programme is intended to satisfy market demand for the Ordinary Shares and to raise further money for investment in accordance with the Company's investment policy.

2. Background to and reasons for the Placing Programme

The Company wishes to have the flexibility to issue further Ordinary Shares on a non-pre-emptive basis where there appears to be reasonable demand for Ordinary Shares in the market, for example if the Ordinary Shares trade at a premium to their Net Asset Value per Ordinary Share. In addition, as any Ordinary Shares issued under the Placing Programme will be issued at a premium of at least 2 per cent. of the prevailing cum income Net Asset Value per Ordinary Share, nor more than the best offer price per Ordinary Share as quoted on the London Stock Exchange at the time that the proposed issue is agreed, as determined by the Directors, an issue of Ordinary Shares under the Placing Programme may be used by the Company to reduce any premium over NAV at which its Ordinary Shares may be trading. Shareholder authority to issue further Ordinary Shares on a non-pre-emptive basis was granted on 17 February 2014. In utilising its discretion under the Placing Programme and seeking such authorities in the future the Directors intend to take into account relevant factors, including the desirability of limiting the premium to Net Asset Value at which the Ordinary Shares trade in order to ensure that Shareholders and new investors who acquire Ordinary Shares are not disadvantaged by being required to acquire additional Ordinary Shares at a high premium to NAV per Ordinary Share.

3. Benefits of the Placing Programme

The Directors believe that the issue of Ordinary Shares pursuant to the Placing Programme should yield the following principal benefits:

- (a) maintain the Company's ability to issue New Ordinary Shares, so as to better manage the premium at which the Ordinary Shares may trade to NAV per Ordinary Share;
- (b) enhance the NAV per Ordinary Share of existing Ordinary Shares through new share issuance at a premium of at least 2 per cent. to the prevailing cum income NAV per Ordinary Share;
- (c) grow the Company, thereby spreading operating costs over a larger capital base which should reduce the total expense ratio; and
- (d) improve liquidity in the market for the Ordinary Shares.

The Directors will consider the potential impact of the Placing Programme on the payment of dividends to Shareholders and intend to ensure that it will not result in any material dilution of the dividends per Ordinary Share that the Company may be able to pay. In the event that the Placing Programme is fully subscribed, and assuming that £150 million is raised pursuant to the Issue before expenses, a Shareholder holding shares representing 5 per cent. of the Company's issued Ordinary Share capital following the Issue, who does not participate in the Placing Programme, would, following the completion of the Placing Programme, hold shares representing approximately 1.5 per cent. of the Company's issued Ordinary Share capital.

4. The Placing Programme

The Placing Programme will open on 10 March 2014 and will close on 17 February 2015. The maximum number of New Ordinary Shares to be issued pursuant to the Placing Programme will be equal to up to 300 per cent. of the aggregate number of Ordinary Shares issued pursuant to the Issue, subject to an overall maximum of 500 million Ordinary Shares issued under both the Issue and the Placing Programme. Such New Ordinary Shares will, subject to the Company's decision to proceed with an issue at any given time be issued to Numis at the Placing Programme Price.

Numis will trade the New Ordinary Shares in the secondary market. No Ordinary Shares will be issued at a discount to the Net Asset Value per Ordinary Share at the time of the relevant allotment. The Company will not issue any New Ordinary Shares at a discount of 10 per cent. or more to the middle market price of the Ordinary Shares at the relevant time without further Shareholder approval by passing an Ordinary Resolution.

The issue of New Ordinary Shares under the Placing Programme is at the discretion of the Directors. Issues may take place at any time prior to the closing date of the Placing Programme. An announcement of each issue will be released through an RIS. It is anticipated that dealings in the New Ordinary Shares will commence approximately three Business Days after their issue. Whilst it is expected that all New Ordinary Shares issued pursuant to the Placing Programme will be issued in uncertificated form, if any New Ordinary Shares are issued in certificated form it is expected that share certificates will be despatched ten Business Days after the relevant issue date.

The minimum subscription pursuant to the Placing Programme is intended to be £50,000. There is no maximum subscription.

The Placing Programme is not being underwritten and, as at the date of this Prospectus, the actual number of New Ordinary Shares to be issued under the Placing Programme is not known. The number of New Ordinary Shares available under the Placing Programme should not be taken as an indication of the number of New Ordinary Shares finally to be issued.

So far as the Directors are aware as at the date of this document, no major Shareholders or Directors intend to make a commitment for New Ordinary Shares under the Placing Programme.

Applications will be made to the UKLA for the New Ordinary Shares issued pursuant to the Placing Programme to be admitted to the premium segment of the Official List and to the London Stock Exchange for such shares to be admitted to trading on its Main Market for listed securities. All New Ordinary Shares issued pursuant to the Placing Programme will be issued conditionally on such Admission occurring. This Prospectus has been published in order to obtain Admission to the Official List of any New Ordinary Shares issued pursuant to the Placing Programme. This will include any Ordinary Shares issued under the Directors' existing authority to issue Ordinary Shares on a non-pre-emptive basis after the date of this Prospectus. Should the Board wish to issue New Ordinary Shares in excess of the amount which it will then be authorised to issue, further authorities will be sought at an appropriate time by convening a General Meeting for this purpose.

The New Ordinary Shares issued pursuant to the Placing Programme will rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the issue of the relevant New Ordinary Shares).

The Placing Programme will be suspended at any time when the Company is unable to issue New Ordinary Shares pursuant to the Placing Programme under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion.

5. Conditions

Each issue of Ordinary Shares pursuant to the Placing Programme is conditional on:

- (a) Shareholder authority for the disapplication of pre-emption rights in respect of the relevant issue being in place;
- (b) the Placing Programme Price being determined by the Directors as described below; and
- (c) Admission of the New Ordinary Shares issued pursuant to such issue.

In circumstances in which these conditions are not fully met, the relevant issue of New Ordinary Shares pursuant to the Placing Programme will not take place.

6. Calculation of the Placing Programme Price

The Placing Programme Price will be calculated by reference to the estimated cum income Net Asset Value of each existing Ordinary Share together with a premium of at least 2 per cent. intended to cover the costs and expenses of the placing pursuant to the Placing Programme (including, without limitation, any placing commissions) and the initial investment of the amounts raised. The Directors will determine the Placing Programme Price on the basis described above so as to cover the costs and expenses of each placing under the Placing Programme and thereby avoid any dilution of the Net Asset Value of the existing Ordinary Shares held by Shareholders. By

way of illustration, assuming an initial NAV of 98p, the Placing Programme Price would be expected to be approximately 100p, and the expenses indirectly borne by an investor in the Placing Programme would be 2p.

Fractions of Ordinary Shares will not be issued and placing consideration will be allocated accordingly.

Where New Ordinary Shares are issued, the total assets of the Company will increase by that number of New Ordinary Shares multiplied by the relevant Placing Programme Price. It is not expected that there will be any material impact on the earnings and Net Asset Value per Ordinary Share, as the net proceeds resulting from any issue under the Placing Programme are expected to be invested in investments consistent with the investment objective and policy of the Company and the Placing Programme Price is expected to represent a modest premium to the then prevailing Net Asset Value.

7. Settlement

Payment for New Ordinary Shares issued under the Placing Programme will be made through CREST or through Numis, in any such case in accordance with settlement instructions to be notified to placees by Numis. In the case of those subscribers not using CREST, monies received by Numis will be held in a segregated client account pending settlement.

To the extent that any placing commitment is rejected in whole or in part, any monies received will be returned without interest at the risk of the placee.

8. Costs of the Placing Programme

Assuming that the Placing Programme is fully subscribed, that £150 million is raised under the Issue before expenses and a Placing Programme Price of 100 pence per New Ordinary Share, the gross proceeds would be £350 million, the costs of the Placing Programme are estimated at £4,181,353 and the net proceeds of the Placing Programme would therefore be £345,818,647.

9. Use of proceeds

The net proceeds of the Placing Programme will be invested by the Portfolio Manager on behalf of the Company in accordance with the Company's published investment policy.

PART 9: TAXATION

The following statements are intended only as a general guide to current UK and Guernsey tax legislation and to what is understood to be the current practice of HMRC, both of which are subject to change with retrospective effect. They summarise certain limited aspects of the UK and Guernsey taxation consequences of holding Shares and may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes or Shareholders who have (or are deemed to have) acquired their shares by virtue of an office or employment, who may be subject to special rules. Unless expressly stated otherwise they apply only to Shareholders of the Company resident and, in the case of individuals, domiciled for tax purposes in the United Kingdom at all relevant times, who hold Shares as an investment (rather than as securities to be realised in the course of a trade) and who are the absolute beneficial owners of those Ordinary Shares.

Shareholders or potential investors who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately.

1. The Company

1.1 Guernsey

1.1.1 Exempt status

The Company, as a registered closed-ended collective investment scheme, qualifies for exemption from liability to income tax in Guernsey and intends to apply to the States of Guernsey Income Tax Authority for such exemption under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, as amended for the current year. Exemption must be applied for annually and will be granted by the Director of Income Tax in Guernsey, subject to the payment of an annual fee which is currently fixed at £600, provided that the Company continues to qualify under the applicable legislation for exemption. It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it continues to qualify for exempt company status for the purposes of Guernsey taxation.

Additionally, since May 2012, entities which form part of, or contribute to, the business of an exempt company are also eligible to claim exempt company status, provided that they meet certain conditions.

As an exempt company, the Company is not resident in Guernsey for the purposes of liability to Guernsey income tax. Under current law and practice in Guernsey, the Company will only be liable to tax in Guernsey in respect of income arising in Guernsey, other than bank deposit interest.

During the States of Guernsey's review of its corporate income tax regime it was decided that certain "deemed distribution" provisions would be removed, which do not impact exempt companies. Additionally, whilst the standard corporate income tax rate remains at 0 per cent. with effect from 1 January 2013, the scope of the company intermediate income tax rate of 10 per cent. has been extended to income arising from the carrying on of business as a licensed fiduciary (in respect of regulated activities), a licensed insurer (in respect of domestic insurance business), a licensed insurance intermediary and a licensed insurance manager. However, these changes are not expected to impact the Company.

1.1.2 Capital Taxes and Stamp Duty

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

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

1.2 UK

The Directors intend that the Company should be managed and conducted so that it does not become resident in the UK for UK taxation purposes. Accordingly, and provided that the Company

does not carry on a trade in the UK through a permanent establishment situated in the UK for UK taxation purposes, the Company will not be subject to UK corporation tax on income and capital gains arising to it. The Directors intend that the affairs of the Company are conducted so that no such permanent establishment will arise.

Interest and other income received by the Company which has a UK source may be subject to withholding taxes in the United Kingdom. However, there will be no UK withholding tax on interest payments made by companies on bonds which are listed on a recognised stock exchange for the relevant UK tax purposes.

2. Shareholders

2.1 Guernsey

Shareholders who are not resident in Guernsey for tax purposes can receive distributions without deduction of Guernsey income tax. The Company will also not be required to withhold Guernsey tax on such distributions.

Shareholders who are resident for tax purposes in Guernsey (which includes Alderney and Herm) will incur Guernsey income tax at the applicable rate on a distribution paid to them. The Company will be required to provide the Director of Income Tax in Guernsey such particulars relating to any distribution paid to Guernsey resident Shareholders as the Director of Income Tax may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. Provided the Company maintains its exempt status, there would currently be no requirement for the Company to withhold tax from the payment of a distribution to a Guernsey resident Shareholder.

Section 67 of the Income Tax Act 1975 contains a wide-ranging anti-avoidance provision. This provision targets transactions where the effect of the transaction or series of transactions is the avoidance, reduction or deferral of a tax liability. At his discretion, the Director of Income Tax will make such adjustments to the tax liability to counteract the effect of the avoidance, reduction or deferral of the tax liability.

2.2 UK

2.2.1 Offshore fund rules

The Company will be an offshore fund for the purposes of UK taxation. Pursuant to the relevant legislation, the basic position is that any gain arising on the disposal of shares in an offshore fund held by persons who are resident in the UK for tax purposes will be taxed at the time of that disposal as income and not as a capital gain. However, this income tax treatment will not apply in relation to the Company provided that it has reporting fund status throughout the period during which the relevant Shareholder holds his Shares. The Company intends to apply to HMRC to obtain reporting fund status and to maintain such status.

On the basis that the Company will have reporting fund status, each Shareholder will be subject to UK tax on income on amounts distributed to him/her by the Company and any Shareholder who is treated as holding a Share at the end of a relevant reporting period (reporting periods will generally be the same as the Company's accounting periods) will also be treated as receiving an additional taxable distribution of the amount by which the reported income attributable to his/her Shares for the relevant reporting period exceeds the amount distributed in respect of such Shares in such period (the "**excess reported income amount**"). The Company will provide to relevant Shareholders who hold an investment in the Company during the relevant reporting period details of any excess reported income amount per Share treated as additional distributions.

For Shareholders who are individuals, distributions they receive from the Company and, if they are treated as remaining as Shareholders at the end of the relevant reporting period, any relevant excess reported income amount will be treated as payments of interest and accordingly subject to UK income tax at the appropriate marginal rate of tax for the individual whether 10%, 20%, 40% or 45%. A disposal by such a Shareholder of his/her Shares, other than to the Company, will not be subject to UK tax as income and will be a disposal for capital gains tax purposes and may, depending on the Shareholder's individual circumstances (including the availability of exemptions, reliefs and allowable losses), give rise to a liability to capital gains tax.

For Shareholders within the charge to UK corporation tax, their Shares will be treated as creditor relationships for the purposes of the rules relating to the taxation of most corporate debt contained in Corporation Tax Act 2009 (the “**Corporate Debt Regime**”). Such Shareholders should be subject to UK corporation tax on distributions they receive from the Company and, if they remain Shareholders at the end of the relevant reporting period, any relevant excess reported income amount as though they were payments of interest. In addition, for each reporting period such Shareholders should be subject to UK corporation tax on the increase in value of their Shares on a fair value basis or should obtain tax relief on any equivalent decrease in value.

2.2.2 Transfer of assets abroad

Due to the intended distribution of income policy and the Company’s proposed reporting fund status, it is not anticipated that Shareholders who are individuals resident in the UK will be affected by the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007 which might otherwise render such persons liable to taxation in respect of undistributed income and profits of the Company.

2.2.3 Controlled foreign companies rules

UK resident companies are, in certain circumstances, subject to tax on the profits of companies not so resident in which they have an interest. Generally, the relevant rules affect UK resident companies which, hold alone or together with certain other associated persons, interests which confer a right to at least 25 per cent of the profits of a non-resident company where that non-resident company is controlled by persons who are resident in the UK and is subject to a lower level of taxation in its territory of residence. The relevant legislation provides for certain exceptions. UK resident companies holding alone or together with relevant associated persons a right to 25 per cent. or more of the profits of the Company (directly or indirectly) should take their own specific professional taxation advice. These provisions are not directed towards the taxation of capital gains.

2.2.4 Section 13 of the Taxation of Chargeable Gains Act 1992 (“**Section 13**”)

The attention of persons resident in the United Kingdom for taxation purposes is drawn to the provisions of Section 13. Section 13 applies to a “participator” for UK taxation purposes (which term includes a Shareholder) if at any time when a gain accrues to the Company which constitutes a chargeable gain for those purposes, the Company is itself controlled by a sufficiently small number of persons so as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a “close” company for those purposes. The provisions of Section 13 could, if applied, result in any such person who is a “participator” in the Company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person’s proportionate interest in the Company as a “participator”. No liability under Section 13 could be incurred by such a person however, where the amount apportioned to such person and to persons connected with him does not exceed one quarter of the gain.

2.2.5 Transactions in Securities

The attention of Shareholders is drawn to anti-avoidance legislation in Chapter 1, Part 13 of the Income Tax Act 2007 and Part 15 of the Corporation Tax Act 2010 that could apply if Shareholders are seeking to obtain tax advantages in prescribed conditions.

2.2.6 ISAs and SSAS/SIPPs

Investors resident in the United Kingdom who are considering acquiring Shares are recommended to consult their own tax and/or investment advisers in relation to the eligibility of the Shares for ISAs and SSAS/SIPPs.

Shares acquired pursuant to the Offer for Subscription will be a qualifying investment for the stocks and shares component of an ISA. It is not possible for Shares to be allotted directly to an ISA manager pursuant to the Placing or the Placing Programme. Shares acquired in the market after Admission should be a qualifying investment for the stocks and shares component of an ISA.

The Shares may be eligible for inclusion in a SSAS or SIPP, subject to the trustees/administrators of the relevant SSAS or SIPP having firstly satisfied themselves that the proposed investment falls within the permitted investment/non-taxable property rules that apply to UK registered SSAS/SIPPs.

2.2.7 Stamp duty and Stamp Duty Reserve Tax (“SDRT”)

No UK stamp duty will arise on the issue of Shares. No UK stamp duty will be payable on a transfer of Shares, provided that all instruments effecting or evidencing the transfer are not executed in the United Kingdom and no matters or things done relating to the transfer are performed in the United Kingdom.

Provided that the Shares are not registered in any register kept in the United Kingdom by or on behalf of the Company and that the Shares are not paired with shares issued by a company incorporated in the United Kingdom, neither the issue of the Shares nor any agreement to transfer the Shares will be subject to UK SDRT.

2.2.8 General Anti-Abuse Rule

Shareholders should be attentive to the potential application of the General Anti-Abuse Rule, contained in Part 5 of the Finance Act 2013, which targets abusive tax arrangements.

3. EU Savings Directive

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into agreements with EU Member States on the taxation of savings income. From 1 July 2011 paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any payments of interest (or other income) to individuals resident in the contracting EU Member States which falls within the scope of the EU Savings Directive (2003/48/EC) (the “**EU Savings Directive**”) as applied in Guernsey. In accordance with EC Directive 2009/65/EC and guidance notes issued by the States of Guernsey on the implementation of the bilateral agreements, this regime does not currently apply to payments, including distributions from the proceeds of shares or units, from investment funds, except those that are, or are equivalent to, Undertakings for Collective Investment in transferable Securities (UCITS). The Company should not be regarded as, or as equivalent to, a UCITS, and accordingly, any payments made by the Company to Shareholders will not be subject to reporting obligations.

The European Commission is currently reviewing the scope and operation of the EU Savings Directive. Guernsey, along with other dependent and associated territories, will consider the effect of any proposed changes to the EU Savings Directive in the context of existing bilateral treaties and domestic law, once the outcome of that review is known. If changes are implemented, the position of Shareholders in relation to the EU Savings Directive may be different to that set out above.

4. Future Changes

The Company could be subject to the application of the Foreign Account Tax Compliance provisions of the US HIRE Act, which implemented sections 1471-1474 of the US Internal Revenue Code of 1986, as amended (“FATCA”). The full extent of the application of FATCA to the Company is not currently clear, and its application may be affected by any intergovernmental agreement relating to the implementation of FATCA into which the US may enter with another jurisdiction. Different and potentially obligatory disclosure and withholding tax requirements may be imposed in respect of investors in the Company and their beneficial owners as a result of either local implementing legislation and/or domestic legislation similar to FATCA.

5. United States-Guernsey Intergovernmental Agreement

On 13 December 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the US (“US-Guernsey IGA”) regarding the implementation of the Foreign Account Tax Compliance Act, or FATCA, under which certain disclosure requirements will be imposed in respect of certain investors in the Company who are residents or citizens of the US or who are non-US entities controlled by one or more US resident individuals (provided there is no applicable exemption). The US-Guernsey IGA will be implemented through Guernsey’s domestic legislation, with such legislation and its operative provisions anticipated to become effective during 2014. Draft guidance

notes addressing the practical implementation of the IGA into domestic legislation were published on 31 January 2014.

6. United Kingdom-Guernsey Intergovernmental Agreement

On 22 October 2013, the Chief Minister of Guernsey signed an intergovernmental agreement with the UK (“UK-Guernsey IGA”) under which certain obligatory disclosure requirements will be imposed in respect of certain investors in the Company who are resident in the UK or who are non-UK entities controlled by one or more UK resident individuals (provided there is no applicable exemption). The UK-Guernsey IGA will be implemented through Guernsey’s domestic legislation, with such legislation and its operative provisions anticipated to become effective during 2014. Draft guidance notes addressing the practical implementation of the IGA into domestic legislation were published on 31 January 2014.

PART 10: GENERAL INFORMATION

1. Responsibility

The Company, whose registered office appears in paragraph 2.1.4 of this Part 10, and the Directors have responsibility for the information contained in this Prospectus. The Directors and the Company have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects and that there are no other facts the omission of which would make misleading any statement in the document, whether of fact or opinion.

2. The Company

2.1 Incorporation

2.1.1 The Company was incorporated in Guernsey on 12 February 2014 with registered number 57985 as a non-cellular company limited by shares under the Law. The Company is registered as a registered closed-ended collective investment scheme under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) and the Registered Collective Investment Scheme Rules 2008 made thereunder.

2.1.2 As a listed investment company, the Company is not regulated by the FCA but is subject to the Listing Rules of the FCA applicable to closed-ended collective investment funds. The Company is regulated by the GFSC and is required to provide certain information to the GFSC on an ongoing basis (including copies of the Company's audited annual report and accounts) as well as complying with certain notification requirements to the GFSC.

2.1.3 The principal legislation under which the Company operates is the Law. The Company is domiciled in Guernsey.

2.1.4 The address of the registered office and principal place of business of the Company is PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL, with telephone number +44 (0)1481 745001.

2.1.5 The Company has no employees and most of its day-to-day activities are delegated to third parties.

2.2 Financial Information

2.2.1 As at the date of this document, the Company has not commenced operations and no financial statements in respect of the Company have been made up.

2.2.2 The Company has no subsidiary or parent undertakings, associated companies and neither owns nor leases any premises.

2.2.3 The Memorandum of Incorporation of the Company provides that the objects of the Company are unrestricted. The Memorandum of Incorporation of the Company is available for inspection at the address in paragraph 2.1.4 of this Part 10.

3. Share Capital

3.1 The share capital of the Company consists of an unlimited number of shares with or without par value as the Directors may determine which, upon issue, the Directors may designate Ordinary Shares of such classes and denominated in such currencies as the Directors may determine.

3.2 On incorporation, one Ordinary Share was issued to the subscriber to the Company's Memorandum of Incorporation. This Ordinary Share will be transferred to an applicant for Ordinary Shares under the Placing or Offer for Subscription.

3.3 As at the date of this document, the issued share capital of the Company consisted of one issued fully paid Ordinary Share.

3.4 By written ordinary and extraordinary resolutions of the subscriber to the Company's Memorandum of Incorporation passed on 17 February 2014:

3.4.1 the Directors have authority to issue up to 150,000,000 Ordinary Shares in connection with the Issue;

3.4.2 the Directors have authority to issue pursuant to the Placing Programme a number of Ordinary Shares equal to up to 300 per cent. of the number of Ordinary Shares issued pursuant to the Issue, provided that such number of Ordinary Shares to be issued

pursuant to the Placing Programme may not exceed 500 million in aggregate with those Ordinary Shares issued pursuant to the Issue, without being obliged to first offer any Ordinary Shares to Shareholders on a *pro rata* basis, such authority extending until the date of the first AGM; and

- 3.4.3 the Directors have authority to sell such number of treasury shares as is equal to the number of Ordinary Shares held in treasury at any time following Admission without being obliged to first offer any treasury shares sold to Shareholders on a *pro rata* basis, such authority extending until the date of the first AGM.
- 3.5 Pursuant to a written ordinary resolution of the subscriber to the Company's Memorandum of Incorporation passed on 17 February 2014, the Directors are authorised to make market purchases of Ordinary Shares following the issue of Ordinary Shares pursuant to the Issue. The maximum price which may be paid for an Ordinary Share must not be more than the higher of: (i) 5 per cent. above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made; or (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares. Such authority will expire on the earlier of the conclusion of the first AGM and the date 18 months after the date on which the resolution was passed.
- 3.6 Under the Articles, the Directors are generally and unconditionally authorised to exercise all powers of the Company to issue an unlimited number of Ordinary Shares which authority expires on the date which is five years from the date of incorporation of the Company.
- 3.7 There are no provisions of Guernsey law which confer rights of pre-emption upon the issue or sale of any class of shares in the Company.
- 3.8 Subject to the provisions of the Articles as summarised in paragraph 4 of this Part 10, the Directors are entitled to exercise all powers of the Company to issue Ordinary Shares in the Company under the Articles and are expected to resolve to do so prior to Admission in respect of the Ordinary Shares to be issued pursuant to the Issue.
- 3.9 As at the date of this document:
- 3.9.1 no subscriptions, issues or options are to be given by the Company, or are already existing, in respect of any securities of the Company, including any that have a prior right over the Ordinary Shares to a distribution of the profits or assets of the Company;
- 3.9.2 no shares which do not represent capital have been issued by the Company and remain outstanding;
- 3.9.3 no shares are held by or on behalf of the Company in treasury or otherwise;
- 3.9.4 no convertible securities, exchangeable securities or securities with warrants have been issued by the Company and remain outstanding; and
- 3.9.5 save in connection with the Placing and Offer for Subscription there are no acquisition rights and/or obligations over any of the Company's authorised but unissued capital and no undertakings to increase the Company's capital.
- 3.10 Since the Company's incorporation, save for the Ordinary Share issued to the subscriber to the Memorandum of Incorporation of the Company referred to in paragraph 3.2 of this Part 10, no share or loan capital of the Company has been issued or, save in connection with the Issue, agreed to be issued.

4. Memorandum of Incorporation and Articles of Incorporation

The Company's Memorandum of Incorporation does not limit the objects of the Company. The Memorandum of Incorporation is available for inspection at the address specified in paragraph 2.1.4 above.

The Articles contain (amongst other things) provisions to the following effect:

4.1 Share capital

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

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

4.2 Alteration of share capital

The Company may from time to time by Ordinary Resolution:

4.2.1 consolidate and divide all or any of its share capital into shares of larger amount;

4.2.2 sub-divide all or any of its shares into shares of smaller amounts;

4.2.3 cancel any shares which at the date of the resolution have not been taken or agreed to be taken by any person;

4.2.4 convert the whole, or any particular class, of its shares into redeemable shares;

4.2.5 re-designate or convert the whole, or any particular class, of its shares into shares of another class;

4.2.6 convert all or any of its fully paid shares the nominal amount of which is expressed in a particular currency or former currency into fully paid shares of a nominal amount of a different currency; and

4.2.7 where its share capital is expressed in a particular currency or former currency, denominate or redenominate it.

4.3 Share rights

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

4.4 Continuation Vote

In the event that:

(i) 85 per cent. of the Net Proceeds (excluding, for the avoidance of doubt, amounts invested in Credit Securities that are in the process of being reinvested) has not been invested within 6 months of the date of Admission; or

(ii) the Dividend Target is not met; or

(iii) on any Tender Submission Deadline, applications for the Company to repurchase 50 per cent. or more of the Company's issued Ordinary Shares, calculated as at the relevant Quarter Record Date, are received by the Company,

a General Meeting will be convened at which the Directors will propose an Ordinary Resolution that the Company should continue as an investment company. If any such Ordinary Resolution is not passed, the Directors shall draw up proposals for the voluntary liquidation, unitisation, reorganisation or reconstruction of the Company for submission to the members of the Company at a General Meeting to be convened by the Directors for a date not more than 6 months after the date of the meeting at which such Ordinary Resolution was not passed.

4.5 Issue of shares

Subject to the provisions of the Articles, the unissued shares of each class shall be at the disposal of the Board which may dispose of them to such persons, in such a manner and on such terms and conditions, and at such times as it determines. Without prejudice to the authority conferred on the Directors pursuant to the Articles, the Directors are generally and unconditionally authorised to exercise all powers of the Company to issue, grant rights to subscribe for, or to convert any securities into, up to an unlimited amount of shares in the Company, which authority shall expire on the date which is five years from the date of incorporation of the Company (unless previously renewed, revoked or varied by the Company in a General Meeting) save that the Company may before such expiry make an offer or

agreement which would or might require shares to be issued after such expiry and the Directors may issue shares in pursuance of such an offer or agreement as if the authority conferred had not expired.

4.6 Pre-emption rights

Under the Articles, the Company is not allowed to issue any shares, including treasury shares, of any class for cash unless it has first made an offer to each existing holder of the same class of shares on the same or more favourable terms and in proportion to their existing holdings. These provisions do not apply to shares issued as scrip dividends.

The pre-emptive offer must remain open for a minimum of 21 days and may not be withdrawn. If the offer is not accepted within this period it will be deemed to have been declined. After the expiration of the period, or if earlier, on receipt of acceptances or refusals from all shareholders to whom the offer was made, the Board may aggregate and dispose of those shares that have not been taken up in such a manner as they determine is most beneficial to the Company.

Neither the Company nor the Board shall be obliged to extend the pre-emption rights to shareholders with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable.

The Company may disapply or modify pre-emption rights by extraordinary resolution. Furthermore, the Board is empowered to issue a number of Ordinary Shares equal to up to 300 per cent. of the number of Ordinary Shares in issue at the time of Admission for cash, subject to a maximum of 500 million Ordinary Shares in aggregate, provided that this authority will, unless renewed, varied or revoked by the Company in a General Meeting, expire on the date which is five years from the date of incorporation of the Company.

4.7 Voting rights

Each shareholder shall have one vote for each share held by it. However, if that share is not fully paid up then the shareholder is not entitled to attend or vote at any General Meeting or separate class meeting. Further, if the shareholder fails to disclose his interest in the shares within 14 days, in a case where the shares in question represent at least 0.25 per cent. of the number of shares in issue of the class of shares concerned, and within 28 days, in any other case, of receiving notice requiring the same, then the Board may determine that the shareholder may not attend or vote at any General Meeting or separate class meeting.

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

4.8 Dividends and other distributions

The Directors may from time to time authorise dividends and distributions to be paid to shareholders on a class by class basis in accordance with the procedure set out in the Law and subject to any shareholder's rights attaching to their shares. The amount of such dividends or distributions paid in respect of one class may be different from that of another class.

All dividends and distributions will be apportioned and paid proportionately to the amounts paid or credited as paid to the relevant class of shares during the portion or portions of the period in respect of which the dividend or distribution is paid. If any share class is issued on terms providing that it will rank for dividends or distributions as from a particular date, such share class will rank for dividends or distributions accordingly.

All unclaimed dividends and distributions may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends unclaimed on the earlier of (i) a period of seven years after the date when it first became due for payment and (ii) the date on which the Company is wound-up shall be forfeited and shall revert to the Company without the necessity for any declaration or other action on the part of the Company.

4.9 Shares

Subject to the exceptions set out in paragraph 4.13 of this Part 10 under the section headed “Transfer of shares”, shares are freely transferable and shareholders are entitled to participate (in accordance with the rights specified in the Articles) in the assets of the Company attributable to their shares on a winding-up of the Company or a winding-up of the business of the Company.

4.10 Winding-up

On a winding-up the surplus assets remaining after payment of all creditors shall be divided amongst the classes of shares then in issue (if more than one) in the same proportions as capital is attributable to them at the relevant winding-up date as calculated by the Directors or the liquidator in their discretion and, within each such class, such assets shall be divided equally among the holders of shares of the relevant class in proportion to the number of shares of the relevant class held at the commencement of the winding-up, subject in any such case to the rights of any shares which may be issued with special rights or privileges. Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company (the “transferee”), the Company by Ordinary Resolution may confer general or specific authority on the Company’s liquidator to receive in compensation or part compensation for the transfer or sale, shares, policies or other like interests in the transferee for distribution among the shareholders or may enter into any other arrangement whereby the shareholders may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits of or receive any other benefits from the transferee.

4.11 Determination of NAV

A description of the policy which the Company adopts in valuing its net assets (and which is included in the Articles) can be found in paragraph 6 of this Part 10 of this Prospectus under the section headed “Valuations”.

4.12 Variation of rights

If at any time the shares of the Company are divided into different classes, all or any of the rights at the relevant time attached to any share or class of shares (whether or not the Company may be in liquidation) may be varied or abrogated in such manner (if any) as may be provided by those rights or, in the absence of such provision, either with the consent in writing of the holders of more than two thirds of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate General Meeting of the holders of the shares of that class. The quorum at such meeting (other than an adjourned meeting where the quorum shall be one holder entitled to vote and present in person or by proxy) shall be two persons holding or representing by proxy at least one-third in value of the issued shares (excluding any shares of that class held as treasury shares).

The rights conferred upon the holders of the shares of any class issued with preferred/deferred or other rights shall not (unless otherwise expressly provided by the terms of issue of the shares of that class) be deemed to be varied by (i) the creation or issue of further shares ranking as regards the profits or assets of the Company in some or all respects *pari passu* with them but in no respect in priority to them; or (ii) the purchase or redemption by the Company of any of its own shares (or the holding of such shares as treasury shares).

4.13 Transfer of shares

Subject to the Articles (and the restrictions on transfer contained therein) and the terms of issue of shares, a shareholder may transfer all or any of his shares in any manner which is permitted by the Law or in any other manner which is from time to time approved by the Board.

A transfer of a certificated share shall be in the usual common form or in any other form approved by the Board. An instrument of transfer of a certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.

Subject to the Articles (and the restrictions on ownership contained therein), a shareholder may transfer an uncertificated share by means of a relevant system authorised by the Board or in any other manner which may from time to time be approved by the Board.

The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any share in certificated form or uncertificated form (subject to the Articles) which is not fully paid or on which the Company has a lien provided that, in the case of a listed share this would not prevent dealings in the shares of that class from taking place on an open and proper basis on the London Stock Exchange.

In addition, the Board may refuse to register a transfer of shares if (i) in the case of certificated shares (a) it is in respect of more than one class of shares, (b) it is in favour of more than four joint transferees or (c) it is delivered for registration to the registered office of the Company or such other place as the Board may decide and is not accompanied by the certificate for the shares to which it relates and such other evidence of title as the Board may reasonably require and (ii) the transfer is in favour of any person, as determined by the Directors, to whom a sale or transfer of shares, or in relation to whom the sale or transfer of a direct or beneficial holding of shares, would or might result in (w) the Company being required to register as an investment company under the Investment Company Act, (x) benefit plan investors ("Plan Investors") (as defined in Section 3(42) of ERISA) acquiring an aggregate interest exceeding 25 per cent. of the value of any equity class in the Company (y) the assets of the Company being deemed to be assets of a Plan Investor or (z) it would cause the Company to be subject to a deduction or withholding relating to FATCA or suffer any other detriment under FATCA or such person does not comply with its obligations to (i) provide information to the Company required to enable the Company to comply with its obligations under FATCA; (ii) consents to the disclosure by the Company of information to relevant governmental authorities required under FATCA; and (iii) notify the Company of material changes which affect its status under FATCA or which result in information previously provided to the Company becoming inaccurate or incomplete.

The Board has the power: to require the sale or transfer of shares in certain circumstances. Such power may be exercised to prevent (i) the Company from being in violation of, or required to register under, the Investment Company Act or being required to register the shares under the U.S. Securities Exchange Act of 1934, as amended (including in order to maintain the status of the Company as a "foreign private issuer" for the purposes of those Acts); (ii) any member of the group being in violation of, or required to register under or report pursuant to, the US Investment Adviser Act of 1940; (iii) the assets of the Company from being deemed to be assets of an employee benefit plan within the meaning of ERISA or of a plan within the meaning of Section 4975 of the Tax Code; (iii) any member of the group from being in violation of, or required to register under, the US Commodity Exchange Act of 1936 ("CEA"); and (iv) any member of the group from having compliance obligations under, or from being in violation of, the Hiring Incentive for Restoring Employment Act of 2010 (which incorporates the anti-avoidance revenue provisions contained in FATCA or otherwise not being in compliance with the Investment Company Act, ERISA, the CEA, FATCA or the Tax Code).

The Board may decline to register a transfer of an uncertificated share which is traded through the CREST UK system in accordance with the CREST rules where, in the case of a transfer to joint holders, the number of joint holders to whom uncertificated shares is to be transferred exceeds four.

4.14 General meetings

The first general meeting (being an annual general meeting) of the Company shall be held within such time as may be required by the Law and thereafter general meetings (which are annual general meetings) shall be held at least once in each calendar year and in any event, no more than 15 months since the last annual general meeting. All general meetings (other than annual general meetings) shall be called extraordinary general meetings. Extraordinary general meetings and annual general meetings shall be held in Guernsey or such other place outside the UK as may be determined by the Board from time to time.

The notice must specify the date, time and place of any General Meeting and the text of any proposed Special Resolution or Ordinary Resolution.

4.15 Directors

Unless otherwise determined by the shareholders by ordinary resolution, the number of Directors shall not be less than two and there shall be no maximum number. At no time shall a majority of the Board be resident in the UK for UK tax purposes.

A Director need not be a shareholder. A Director who is not a shareholder shall nevertheless be entitled to attend and speak at shareholders' meetings.

Subject to the Articles, a person may be appointed as a Director by the Board (either to fill a vacancy or as an additional Director). No person other than a Director retiring at a General Meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless not less than seven and not more than 42 clear days before the date appointed for the meeting there shall have been left at the Company's registered office (or, if an electronic address has been specified by the Company for such purposes, sent to the Company's electronic address) notice in writing signed by a shareholder who is duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected, specifying his tax residency status and containing a declaration that he is not ineligible to be a Director in accordance with the Law.

No person shall be or become incapable of being appointed a Director, and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age.

Subject to the Articles, at each AGM, any Director (i) who has been appointed by the Board since the last AGM, (ii) who held office at the time of the two preceding AGMs and who did not retire at either of them or (iii) who has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the meeting, shall retire from office and may offer himself for election or re-election by the shareholders.

A Director who retires at an AGM may, if willing to continue to act, be elected or re-elected at that meeting. If he is elected or re-elected he is treated as continuing in office throughout. If he is not elected or re-elected, he shall remain in office until the end of the meeting or (if earlier) when a resolution is passed to appoint someone in his place or when a resolution to elect or re-elect the Director is put to the meeting and lost.

The office of a Director shall be vacated:

- (a) if he (not being a person holding an executive office which is for a fixed term subject to termination if he ceases for any cause to be a Director) resigns his office by giving written notice signed by him sent to or deposited at the Company's registered office or tendered at a meeting of the Board;
- (b) if he dies;
- (c) if the Company requests that he resigns his office by giving him written notice;
- (d) if he absents himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of 6 months and the Board resolves that his office shall be vacated;
- (e) if he becomes bankrupt or makes any arrangements or composition with his creditors generally;
- (f) if he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under the provisions of any law or enactment;
- (g) if he is requested to resign by written notice signed by a majority of his fellow Directors (being not less than two in number) and sent to or deposited at the Company's registered office or tendered at a meeting of the Board;
- (h) if the Company by Ordinary Resolution shall declare that he shall cease to be a Director;
- (i) if he becomes resident in the UK for tax purposes and, as a result thereof, half or more of the Directors would, if he were to remain a Director, be resident in the UK for tax purposes; or
- (j) if he becomes ineligible to be a Director in accordance with the Law.

Any Director may, by notice in writing, appoint any other person, who is willing to act as his alternate and may remove that other person from that office.

Each alternate Director shall be either (i) resident for tax purposes in the same jurisdiction as his appointor or (ii) resident outside the UK for UK tax purposes, in each case for the duration of the appointment of that alternate Director and in either case shall also be eligible to be a Director under the Law and shall sign a written consent to act.

Every appointment or removal of an alternate Director shall be by notice in writing signed by the appointor and served upon the Company.

4.16 Proceedings of the Board

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two. Subject to the Articles, a meeting of the Board at which a quorum is present shall be competent to exercise all the powers and discretions exercisable by the Board.

All meetings of the Board are to take place outside the UK and any decision reached or resolution passed by the Directors at any meeting of the Board held within the UK or at which no majority of Directors resident outside the UK (and not within the UK) for UK tax purposes is present shall be invalid and of no effect.

The Board may elect one of their number as chairman. If no chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

Questions arising at any meeting shall be determined by a majority of votes. In the case of a tie, the chairman shall not have a casting vote.

The Board may delegate any of its powers to committees consisting of one or more Directors as it thinks fit with a majority of such Directors being resident outside of the UK for UK tax purposes. Committees shall only meet outside the UK. Any committee so formed shall be governed by any regulations that may be imposed on it by the Board and (subject to such regulations) by the provisions of the Articles that apply to meetings of the Board.

4.17 Remuneration of Directors

The Directors, other than any alternate Director, shall be entitled to receive fees for their services as Directors. Those fees for all the Board collectively shall not exceed £150,000 in any financial year in aggregate (or such larger sum as the Company may, by Ordinary Resolution, determine).

The Board may grant special remuneration to any Director who performs any special or extra services to, or at the request of, the Company. Further, the Directors shall be paid all reasonable travelling, hotel and other expenses properly incurred by them in and about the performance of their duties.

4.18 Pensions and gratuities for Directors

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

4.19 Permitted interests of Directors

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

- (a) may hold any other office or place of profit under the Company (other than the office of the auditor) in conjunction with his office of Director on such terms as to the tenure of office and otherwise as the Directors may determine;
- (b) may be a party to, or otherwise interested in, any transaction or arrangement with the Company, or in which the Company is otherwise interested;
- (c) may act for the Company by himself or through his firm in a professional capacity (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;

- (d) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, a shareholder of or otherwise directly or indirectly interested in, any body corporate promoted by the Company, or with which the Company has entered into any transaction, arrangement or agreement or in which the Company is otherwise interested; and
- (e) shall not by reason of his office be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

For the purposes of the Articles:

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

A Director shall be counted in the quorum at any meeting in relation to any resolution in respect of which he has declared an interest, but shall not vote thereon unless the Board resolves that such interest is immaterial.

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

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

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

4.20 Borrowing powers

The Board may exercise the powers of the Company to incur leverage for short-term liquidity purposes including financing share repurchases or redemptions, making investments or satisfying working capital requirements. Borrowings of the Company may not exceed 10 per cent. of the NAV of the Company as at the time of drawdown unless approved by the Company by an Ordinary Resolution.

4.21 Indemnity of Directors and other officers

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

4.22 Untraced Shareholders

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

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

4.23 Disclosure of ownership

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

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

The Articles provide that, where an addressee of such a notice fails to give the Company the information required by the notice within the time specified in the notice, the Company may deliver a further notice on the shareholder holding the shares in relation to which the default has occurred imposing restrictions on those shares. The restrictions attaching to those defaulted shares may prevent the shareholder holding the shares from attending and voting at a meeting (including by proxy) and, where those defaulted shares represent at least 0.25 per cent. of any class of shares concerned, any dividend or other amount payable shall be retained by the Company in respect of such shares and no transfer of such shares shall be approved for registration.

5. Squeeze-out and Sell-out Rules relating to the Ordinary Shares

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of Shares were to increase the aggregate holding of the acquirer and its concert parties to Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer (and depending on the circumstances, its concert parties) would be required, except with the consent of the Panel, to make a cash offer for the outstanding Shares in the Company at a price not less than the highest price paid for any interests in the Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by an acquisition of Shares by a person holding (together with its concert parties) Shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

6. Valuation Policy

The Administrator, and following the AIFMD Implementation Date, the Company's AIFM, are responsible for calculating the NAV per Share of the Company. The Administrator will not act as

the external valuer of the Company under the AIFM Rules. The unaudited NAV per Ordinary Share will be calculated as at the close of business on the last Business Day of every week and the last Business Day of every month by the Administrator and will be announced by a Regulatory Information Service the following Business Day. The NAV is calculated in accordance with paragraph 24.4 of Part 5 of this Prospectus. Valuations of NAV per Share will be suspended only in any circumstances in which the underlying data necessary to value the investments of the Company cannot readily or without undue expenditure be obtained or for regulatory reasons. Any such suspension will be announced to a Regulatory Information Service.

7. Conflicts of Interest

The Administrator, the Portfolio Manager and the Company’s AIFM, any of their respective directors, partners, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an “**Interested Party**”) may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and will not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest.

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

8.1 Directors’ interests

8.1.1 As at the date of this document, none of the Directors nor their immediate families and related trusts and (insofar as is known to them or could with reasonable diligence be ascertained by them) persons connected (within the meaning of section 96B of FSMA (as amended by the Financial Services and Markets Act 2000 (Amendment) Regulations 2009)) with the Directors had any interests in the share capital of the Company.

8.1.2 No Director of the Company has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company which was effected by the Company since its incorporation.

8.1.3 No share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.

8.1.4 There are no outstanding loans granted by the Company to any of the Directors nor is any guarantee provided by the Company for the benefit of any of the Directors.

The Directors intend to subscribe for the following number of Ordinary Shares under the Placing:

	Ordinary Shares
Claire Whittet (Chairman)	10,000
Christopher Legge	25,000
Thomas Emch	25,000

8.2 Directors’ contracts with the Company

All the Directors of the Company are non-executive. It is the Board’s policy that none of the Directors has a service contract. The terms of their appointment provide that a Director may be removed without notice and that no compensation will be due on leaving office.

Conditional upon Admission, the Directors will be entitled to aggregate annual remuneration (including any contingent or deferred compensation but excluding expenses) payable and benefits in kind granted as follows:

Director	Fees
Claire Whittet	£30,000
Christopher Legge	£27,500
Thomas Emch	£25,000
	<hr/>
Total	£82,500
	<hr/> <hr/>

The aggregate amount of remuneration (including any contingent or deferred compensation but excluding expenses) payable and benefits in kind granted to the Directors for the current financial period ending 30 September 2014 is estimated to be approximately £47,500.

The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. There is no amount set aside or accrued by the Company in respect of contingent or deferred compensation payments or any benefits in kind payable to the Directors.

Each of the Directors is engaged under a letter of appointment with the Company and does not have a service contract with the Company. Under the terms of their appointment, each Director is required to retire by rotation and be subject to re-election at each AGM.

8.3 Directors' other interests

Over the five years preceding the date hereof, the Directors have held the following directorships (apart from their directorships' of the Company) and/or partnerships:

Claire Whittet

Company	Position	Resigned
Rothschild Bank International Limited	Director	Ongoing
Rothschild Bank (CI) Limited	Director	Ongoing
International Public Partnerships Limited	Director	Ongoing
St Julian's Properties Limited	Director	Ongoing
Monico Limited	Director	Ongoing
Monico Investments Limited	Director	Ongoing
Kingston Investments Limited	Director	Ongoing
Babson Capital Global Floating Rate Loan Fund Limited	Director	Resigned *

Christopher Legge

Company	Position	Resigned
Aquitaine Group Limited	Director	Ongoing
Aquitaine Holdings Limited	Director	Ongoing
Ashmore Global Opportunities Limited	Director	Ongoing
Baring Vostok Investments PCC Limited	Director	Ongoing
BH Macro Limited	Director	Ongoing
Burland Investments Inc	Director	Ongoing
Crownstone European Properties Limited	Director	Ongoing
High Desert Properties. Inc	Director	Ongoing
Home-Start Guernsey LBG	Director	Ongoing
John Laing Environmental Assets Group Limited	Director	Ongoing
Multi-Manager Investment Programmes PCC Limited	Director	Ongoing
North Twenty, Inc	Director	Ongoing
Pinnacle Peak, Inc	Director	Ongoing
Roseanne Investment Holdings Limited	Director	Ongoing
Sherborne Investors (Guernsey) B Limited	Director	Ongoing
Steamforce Estates Inc	Director	Ongoing
Third Point Offshore Investors Limited	Director	Ongoing
Trafalgar Court Holdings Limited	Director	Ongoing
Avonview Limited	Director	Resigned *
Bentima House Holding Company Limited	Director	Resigned
Bentima House Investment Company Limited	Director	Resigned
Blueclouds Property Limited	Director	Resigned
Caledonian Limited	Director	Resigned *
Goethe Management Limited	Director	Resigned *
Goldman Sachs Dynamic Opportunities Limited	Director	Resigned *
Jancap Insurance PCC Limited	Director	Resigned
Lone Star Properties Inc	Director	Resigned *
Prestyne Limited	Director	Resigned *
Regency Court Property Limited	Director	Resigned
Rivermede Limited	Director	Resigned *
South Twenty, Inc	Director	Resigned *

Company	Position	Resigned
St Helier Investments Limited	Director	Resigned
Wizard Properties Limited	Director	Resigned *
Yorksaf Insurance Company Limited	Director	Resigned

Thomas Emch

Company	Position	Resigned
Coges Corratierie Gestion SA	Director	Ongoing
The Rutland Fund Limited	Director	Ongoing
Banque Privée Espirito Santo	Director	Ongoing
Cogeflex Limited	Director	Resigned
Abacus Trust SA and Abacus Fiduciary SA	Director	Resigned

*Voluntary liquidation or dissolution

As at the date of this document, there are no potential conflicts of interest between any of the Directors' duties to the Company and their private interests and/or other duties.

8.4 The Directors in the five years before the date of this Prospectus:

- (a) do not have any convictions in relation to fraudulent offences;
- (b) have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- (c) 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 administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

8.5 Major Shareholders

The Law imposes no requirement on shareholders in the Company to disclose holdings of 5 per cent. (or any greater limit) or more of the share capital of the Company. However, the Articles provide for the Company to issue a notice requiring disclosure of an interest in shares and the Disclosure and Transparency Rules provide that certain persons (including shareholders) must notify the Company if the proportion of the Company's voting rights which they then hold directly or indirectly as a shareholder or through a direct or indirect holding of certain financial instruments reaches, exceeds or falls below thresholds of 5 per cent., 10 per cent., 15 per cent., 20 per cent., 25 per cent., 30 per cent., 50 per cent. and 75 per cent.

As at the date of this document, there are no persons known to the Company who, directly or indirectly, will be interested in 5.0 per cent. or more of the Company's issued share capital or voting rights on Admission.

The major shareholders will not have any different voting rights from other shareholders.

8.6 Related party transactions

As at the date of this document, the Company is not a party to, nor has any interest in, any related party transaction (as defined in the standards adopted according to the Regulation (EC) No. 1606/2002).

9. Material Contracts

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which the Company is a party or which contains any provision under which the Company has any obligation or entitlement which is material to it at the date of this Prospectus.

9.1 Portfolio Management Agreement

TwentyFour will act as the Portfolio Manager under the Portfolio Management Agreement dated 17 February 2014. Under the terms of the Portfolio Management Agreement, TwentyFour will provide discretionary portfolio management services to the Company, and shall be entitled to

receive from the Company, in respect of the portfolio management services provided under this Agreement, a management fee at the rate of 0.75 per cent. per annum of in respect of each class of Shares that are: (i) listed or admitted to trading on any stock exchange, the lower of the NAV and the market capitalisation of that class of Shares; and/or (ii) not listed or admitted to trading on any stock exchange, the NAV of that class of Shares, plus, in each case, any applicable Value Added Tax. The Portfolio Manager under the terms of the Portfolio Management Agreement will provide, among other services, the following services:

- (a) seeking out and evaluating investment opportunities;
- (b) recommending the manner by which monies should be invested, retained or realised;
- (c) advising on how rights conferred by the investments should be exercised;
- (d) analysing the performance of investments made;
- (e) advising the Company and the Company's AIFM on behalf of the Company, in relation to trends, market movements and other matters which may affect the investment policy of the Company; and
- (f) marketing the shares in the Company as may be required from time to time, subject to the FSMA, the FCA Rules and the AIFM Rules.

The Portfolio Management Agreement may be terminated by the Company, the Company's AIFM or the Portfolio Manager giving to the other parties not less than 12 months' written notice.

In any of the following circumstances the Company and the Company's AIFM (acting jointly) is entitled immediately to terminate the Portfolio Management Agreement by notice in writing:

- (a) if TwentyFour commits any material or persistent breach of or omits to observe any of the material obligations on its part contained in the Portfolio Management Agreement and (if such breach is capable of remedy) fails (within 20 Business Days after having been required in writing by the Company or the Company's AIFM so to do) to remedy such breach to the satisfaction of the Company;
- (b) if TwentyFour ceases to carry on business or is or comes to be prohibited by law or under any rules, regulations, order of any governmental agency, administrative agency, court, stock exchange, self-regulatory organisation or other regulatory organisation from providing its services or complying with its obligations under the Portfolio Management Agreement;
- (c) if TwentyFour files a petition for reorganisation or for the adoption of an arrangement under any insolvency legislation or has filed against it any similar proceeding by creditors and such case is not dismissed within 60 days of filing; makes an assignment for the benefit of its creditors; or has entered against it a court order appointing a receiver, trustee, liquidator, assignee, sequestrator or depository (or similar official) for all or a substantial part of its property;
- (d) if the Company is or is being wound up in accordance with the Articles, which shall include where in accordance with the Articles, any Continuation Resolution is not passed by the Company's shareholders;
- (e) if any one or both of Gary Kirk or Eoin Walsh cease to be involved in managing the Portfolio and are not replaced within 90 days by alternative portfolio managers approved by the Company;
- (f) where it is in the best interests of the Company's investors to do so; or
- (g) in the event that the Portfolio Manager is no longer able to carry out the obligations under the Portfolio Management Agreement effectively or in compliance with applicable laws and the AIFM Rules.

In the following circumstances TwentyFour is entitled to terminate the Portfolio Management Agreement immediately by notice in writing:

- (a) if the Company commits any material or persistent breach of or omits to observe any of the material obligations on its part contained in the Portfolio Management Agreement and (if such breach is capable of remedy) fails (within 20 Business Days after having been required by TwentyFour so to do) to remedy such breach to the satisfaction of TwentyFour; or

- (b) if the Company shall have an administration order or any application for an administration order made in respect of it or if the Company shall have a receiver, liquidator or administrator appointed over the whole or any part of its undertaking or if any order shall be made or an effective resolution passed for the winding up of the Company (save for the purpose of and followed by an amalgamation or reconstruction (provided that the Company is solvent) and/or where, in accordance with this document and/or the Articles, any Continuation Resolution is not passed by the Company's shareholders or following any other event of bankruptcy, désastre, saisie or event of insolvency with respect to the Company under Parts XXI or Parts XXII of the Law or if a distress or execution shall be levied or enforced upon or against any of the property or assets of the Company and shall not be discharged or paid out within 14 days.

TwentyFour is entitled to carry on any business similar to, or in competition with, the Company or to provide similar services or any other services whatsoever to any other customer without being liable to account to the Company for its profits, provided its ability to perform its obligations under the Portfolio Management Agreement is not impaired. However, TwentyFour may not provide such services to any other investment trust, company or closed-ended investment company with a similar investment policy to the Company, and with shares admitted to trading on the London Stock Exchange or AIM without first having received the prior written consent of the Company. The Portfolio Management Agreement makes it clear that TwentyFour is permitted to effect transactions in which TwentyFour or any of its associates has, directly or indirectly, a material interest or a relationship of any description with another party which may involve a potential conflict of interest with TwentyFour's duty to the Company, again without being liable to account to the Company for its profits, provided, *inter alia*, that where there is such a conflict it shall take reasonable steps to ensure fair treatment of the Company.

9.2 AIFM Agreement

The Company is a party to an AIFM Agreement with Phoenix Fund Services (UK) Limited dated on or around the date of this Prospectus pursuant to which Phoenix provides the Company with alternative investment fund management services, so that the Company is compliant with the AIFM Directive.

For the provision of services under the AIFM Agreement, Phoenix is entitled to receive an annual fee to be calculated as percentages of the Company's net assets (7 basis points on the first £49,999,999.99 of net assets, 5 basis points on net assets between £50 million and £100 million and 3 basis points on net assets in excess of £100 million, subject to a minimum annual fee of £20,000. The Company will also reimburse Phoenix for reasonable expenses properly incurred by Phoenix in the performance of its obligations under the Agreement.

Phoenix under the terms of the AIFM Agreement will provide, among other services, the following services:

- (a) provision of risk management services as required by the AIFM Rules;
- (b) ensuring that risk limits are set and implemented in conjunction with the Company;
- (c) monitors the Portfolio Manager, including reconciliation of the Company's investments against its investment policy;
- (d) appraising the performance of TwentyFour, as portfolio manager and presenting an analysis of the performance of TwentyFour to the Board;
- (e) ensuring that a depositary compliant with the AIFM Rules is appointed by or on behalf of the Company with effect from the AIFMD Implementation Date;
- (f) ensuring that the disclosures required to be made by the Company under the AIFM Rules are made with effect from the AIFMD Implementation Date;
- (g) reporting to the FCA as required under the AIFM Rules with effect from the AIFMD Implementation Date;
- (h) ensuring that the Portfolio is valued in accordance with the AIFM Rules; and
- (i) ensuring that it is authorised by the FCA to market the Company in accordance with the AIFM Rules as required by the Company from time to time.

The AIFM Agreement may be terminated by any party serving the other party with 3 months' prior written notice (or such shorter time as may be agreed by the parties).

The Company may terminate the AIFM Agreement immediately by notice in writing if:

- (a) the Company believes that Phoenix will not be authorised by the FCA to manage alternative investment funds by the AIFMD Implementation Date;
- (b) following the AIFMD Implementation Date Phoenix's authorisation to manage investment funds is not maintained by it, or is suspended or restricted by the FCA, so that the Company is not able to realise its investment objective or implement its investment policy;
- (c) the Portfolio Manager ceases to maintain its authorisation from the FCA or such authorisation is suspended;
- (d) Phoenix fails to notify the Company of an investigation by the FCA;
- (e) an order is made or an effective resolution is passed for the purpose of a winding up otherwise than for the purpose of and followed by its amalgamation or reconstruction;
- (f) Phoenix is insolvent or stops or threatens to stop carrying on business or payment of its debts or make any arrangement with its creditors generally; and
- (g) a receiver or administrator of Phoenix is appointed over any of its assets;

The AIFM Agreement will automatically terminate if the FCA requires Phoenix to stop acting as AIFM.

Phoenix may terminate the AIFM Agreement immediately in the following circumstances:

- (a) if the Company shall have an administration order or any application for an administration order made in respect of it or if the Company shall have a receiver, liquidator or administrator appointed over the whole or any part of its undertaking or if any order shall be made or an effective resolution passed for the winding up of the Company (save for the purpose of and followed by an amalgamation or reconstruction (provided that the Company is solvent));
- (b) where a Continuation Resolution is not passed by the Company's shareholders and as a result proposals are formulated by the Board in order to wind up the Company; and
- (c) following any other event of bankruptcy, *désastre*, *saisie* or event of insolvency with respect to the Company under Parts XXI or Parts XXII of the Law, as amended, or if a distress execution shall be levied or enforced upon or against any of the property or assets of the Company and shall not be discharged or paid out within 14 days.

Either party may terminate the AIFM Agreement immediately if the other party is in material or persistent breach of the AIFM Agreement, which is either irremediable or if capable of remedy has not been remedied within 20 days after having been required in writing by the other party so to do.

Phoenix will generally not be liable for loss suffered by the Company unless such loss arises directly from the fraud, negligence, wilful default, breach of the obligations of Phoenix under the AIFM Agreement or of the rules of any competent regulatory authority having jurisdiction over Phoenix or of any statutory duty by Phoenix or any person to whom Phoenix may have delegated any of its obligations and/or functions under the AIFM Agreement. The Company has given an indemnity to Phoenix in respect of any losses or liabilities arising out of the proper performance by Phoenix of its duties under the AIFM Agreement.

Phoenix will treat all of the Company's investors fairly and will not allow any such investor to obtain preferential treatment, unless such treatment is disclosed in the Articles. Phoenix may effect transactions in which it has directly, or indirectly, a material interest, or a relationship of any description with another party which involves or may involve a potential conflict with Phoenix's duty to the Company, but it will ensure that such transactions are effected on terms which are not materially less favourable to the Company than if the potential conflict had not existed. Phoenix warrants and represents that it complies with and will continue to comply with the requirements on conflicts as set out in the AIFM Rules, including taking all reasonable steps to avoid conflicts of interest and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of investors.

The Company's AIFM will delegate portfolio management to the Portfolio Manager in accordance with the AIFM Rules. Phoenix does not consider that any conflicts of interest arise from such delegation.

9.3 Administration Agreement

The Company is a party to an Administration Agreement with Northern Trust International Fund Administration Services (Guernsey) Limited dated 17 February 2014 pursuant to which the Administrator provides day-to-day administration of the Company and acts as secretary and administrator to the Company including maintaining accounts, preparing interim and annual accounts of the Company and calculating the Net Asset Value.

For the provision of the services under the Administration Agreement, the Administrator is entitled to receive an annual fee to be calculated as percentages of the Company's net assets (6 basis points on the first £99,999,999.99 of net assets, 5 basis points on net assets between £100 million and £200 million and 4 basis points on net assets in excess of £200 million), subject to a minimum annual fee of £50,000 in the first year and £75,000 for each year thereafter. In addition, a fixed annual fee of £25,000 will also be charged for corporate governance and company secretarial services provided by the Administrator to the Company (the parties may by agreement revise these fees from time to time). The Company will also reimburse the Administrator for disbursements and reasonable out of pocket expenses properly incurred by the Administrator on behalf of the Company.

The Administration Agreement may be terminated by either party serving the other party with 90 days written notice or immediately (i) in the event of the winding up of (other than a voluntary liquidation for the purpose of a reconstruction, amalgamation or merger) or the appointment of an administrator, examiner or receiver to the other party or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction, (ii) if either party commits any material breach of the provisions of the Administration Agreement and shall, if capable of remedy, not have remedied the same within 30 days after the service of notice requiring it to be remedied (in such cases such right of termination lies with the non-defaulting party), (iii) if the continued performance of the Administration Agreement for any reason ceases to be lawful (including under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and in circumstances where the Administrator ceases to hold the relevant licence, consent, permit or registration to carry on the Administrator's activities), (iv) if a party is declared to be en état de désastre under the laws of Guernsey, or (v) if the Administrator is or is deemed to be resident for tax purposes elsewhere than in Guernsey or has a permanent establishment or other taxable presence elsewhere than in Guernsey.

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

Provided its ability to perform its obligations under the Administration Agreement is not impaired, the Administrator is entitled to carry on any business similar to, or in competition with, the Company or to provide similar services or any other services whatsoever to any other customer without accounting to the Company for its profits.]

9.4 Custody Agreement

Northern Trust (Guernsey) Limited acts as custodian for the Company and is regulated by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, with firm reference number: 33.

The Custodian agrees to provide custody services to the Company under the Custody Agreement which was entered into on 17 February 2014. The fees payable to the Custodian shall be paid by the Company monthly in arrears. The fees shall be a minimum of £8,500 per annum plus applicable VAT, but may be greater dependent on the level of transaction fees incurred during the course of the year. The Custodian is also entitled to the reimbursement of any extraordinary expenses, to include accounting and legal fees, reasonably incurred in connection with the proper performance of its duties under the Custody Agreement.

The Custody Agreement may be terminated by either party giving to the other not less than 90 days' written notice (or such shorter notice period as may be agreed by the parties).

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

The Custodian may appoint sub-custodians to hold the assets of the Company. The Custodian will exercise care and diligence in the selection, appointment and monitoring of such sub-custodians and will be responsible to the Company, for the duration of any agreement with a sub-custodian for satisfying itself as to the ongoing suitability of the sub-custodian to provide custodial services to the Company. The Custodian is liable for the acts and omissions of any sub-custodian.

Under the terms of the Custody Agreement the Custodian is not liable for loss arising from carrying out its services under the Custody Agreement, unless the loss was incurred as a consequence of the Custodian's or any sub-custodian's negligence, wilful default or fraud, provided that the Custodian will not be liable for loss that the Company could have reasonably mitigated or if such losses are caused by the negligence, fraud or breach of the terms of the Custody Agreement by the Company or the portfolio manager of the Company, or any of their officers, employees or delegates. To the fullest extent permitted by Law, the Custodian shall not be liable for an indirect, special, punitive or consequential losses including loss of profit or goodwill. The Company indemnifies the Custodian against any losses for which it is not liable and where it has not acted in bad faith, with negligence, wilful default or fraud.

9.5 Depositary Agreement

On the AIFMD Implementation Date the Custody Agreement shall terminate and it is intended that it will be replaced with the Depositary Agreement. The Company, Phoenix and the Depositary have agreed the terms of the Depositary Agreement and it is anticipated that the Depositary Agreement will be signed before the AIFMD Implementation Date. Under the agreed form Depositary Agreement Northern Trust (Guernsey) Limited will act as depositary for the Company. Northern Trust (Guernsey) Limited is regulated by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, with firm reference number: 33. The Depositary will be responsible for the safe-keeping of financial instruments held on behalf of the Company and will periodically verify the ownership of other investments held directly by the Company.

Under the terms of the Depositary Agreement, the Depositary has full power to delegate the whole or any part of its depositary functions. The Depositary must exercise care and diligence in choosing and appointing a sub-custodian as a safe-keeping agent so as to ensure that the sub-custodian is a fit and proper person, and has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned. The Depositary must maintain an appropriate level of supervision over the sub-custodian and make appropriate enquiries from time to time to confirm that the obligations of the sub-custodian continue to be completely discharged.

The Depositary Agreement provides that the appointment of the Depositary will continue in force unless and until terminated by either party giving to the other not less than six months (or such shorter notice period as may be agreed by the parties) prior written notice although in certain circumstances (e.g. the insolvency of the Depositary or if the Depositary is no longer permitted to perform its obligations under applicable law) the Depositary Agreement may be terminated forthwith by resolution of the Directors.

The Depositary shall be liable to the Company for any loss suffered by them as a result of the Depositary's fraud, wilful default or negligence provided however that the Depositary shall not be liable to the Company for any indirect, special, punitive or consequential loss arising out of or in connection with the Depositary Agreement.

The fees payable to the Depositary by the Company will be (i) a minimum safe-keeping fee of £8,500 per annum, although the fee may be greater dependent on the level of transaction fees incurred during the year and are payable monthly in arrears and (ii) a Depositary fee calculated as percentages of the Company's net assets (1.75 basis points on the first £99,999,999.99 of net assets, 1.5 basis points on net assets between £100 million and £200 million and 1.25 basis points

on net assets in excess of £200 million), subject to a minimum annual fee of £15,000 in the first year and £25,000 for each year thereafter.

9.6 Placing Agreement

In connection with the Issue and the Placing Programme, the Company, TwentyFour and Numis entered into the Placing Agreement on 17 February 2014. The Placing Agreement is conditional on, *inter alia*, Admission taking place on 10 March 2014 or such later date (not being later than 8.00 a.m. on 31 March 2014) as the Company and Numis may agree.

The principal terms of the Placing Agreement are as follows:

- (a) Numis has agreed, as agent of the Company, to use its reasonable endeavours to procure (i) placees to subscribe for Ordinary Shares under the Placing at the Issue Price; and (ii) placees to subscribe for New Ordinary Shares pursuant to the Placing Programme at the Placing Programme Price. The Placing and the Placing Programme are not being underwritten;
- (b) the Company has, provided the Placing Agreement becomes unconditional, agreed to pay Numis a corporate finance fee of £150,000, a placing commission at a variable rate depending on the size of the Issue, between 0.9250 per cent. and 1.400 per cent. of the aggregate value at the Issue Price of the Ordinary Shares allotted under the Issue (plus any applicable VAT);
- (c) the Company has agreed to pay an amount equal to a variable percentage of the placing commission, depending on the size of the Issue, to TwentyFour in respect of its marketing activities;
- (d) the Company has agreed to pay all of the properly incurred costs and expenses of and incidental to the Issue and the Placing Programme and related arrangements together with any applicable VAT;
- (e) the Company has given certain warranties to Numis as to the accuracy of the information in this document and as to other matters relating to the Company. TwentyFour has also given certain warranties to Numis as to certain information in this Prospectus and as to themselves. The Company has given an indemnity to Numis in respect of any losses or liabilities arising out of the proper performance by Numis of its duties under the Placing Agreement, TwentyFour has given indemnities to Numis in respect of its obligations and the Company and TwentyFour have given an indemnity to Numis in respect of any increased liability to any third party that would not have arisen had any of the Company or TwentyFour not entered into any agreement or arrangement with any third party adviser in connection with the Issue, the terms of which provide that the liability of that adviser to the Company or TwentyFour (as the case may be) is excluded or limited in any manner, and Numis has joint or joint and several liability with such adviser;
- (f) Numis may at any time before the earliest of (i) 17 February 2015, (ii) the date on which all of the New Ordinary Shares available for issue under the Placing Programme have been issued and (iii) such other date as may be agreed between the parties, terminate the Placing Agreement in certain circumstances, including for breach of the warranties referred to above.

9.7 Registrar's Agreement

The Registrar's Agreement dated 17 February 2014 between the Company and the Registrar whereby the Registrar has agreed to provide registrar services to the Company. The fees payable to the Registrar are based on an initial set up fee of £1,500, and a fee based on the number of transactions plus properly incurred expenses, subject to a minimum annual fee of £10,000. The Registrar's Agreement contains certain standard indemnities from the Company in favour of the Registrar and from the Registrar in favour of the Company. The Registrar's liabilities under the Registrar's Agreement are subject to a financial limit.

9.8 Receiving Agent's Agreements

The receiving agent agreements each dated 17 February 2014 between the Company and the Receiving Agent whereby the Receiving Agent has agreed to act as Receiving Agent to the Offer for Subscription and Quarterly Tenders, respectively. The fees payable to the receiving agent are based on the number of applications received and are subject to a minimum fee. The agreements contains certain standard indemnities from the Company in favour of the Receiving Agent and from

the Receiving Agent in favour of the company. The Receiving Agent's liabilities under the agreements are subject to a financial limit.

10. Litigation

Since the Company's incorporation, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had, in the recent past significant effects on the Company or the Company's financial position or profitability.

11. Significant change in the financial or trading position

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

12. Significant gross change

The Issue will constitute a significant gross change in relation to the Company for the purpose of the Prospectus Rules as it will increase the Company's assets by up to £150 million (before the deduction of Issue Expenses). The Issue will materially effect the Company's earnings per Ordinary Share.

Where New Ordinary Shares are issued under the Placing Programme, the total assets of the Company will increase by that number of New Ordinary Shares multiplied by the relevant Placing Programme Price. It is not expected that there will be any material impact on the earnings and Net Asset Value per Ordinary Share, as the net proceeds resulting from any issue under the Placing Programme are expected to be invested in investments consistent with the investment objective and policy of the Company and the Placing Programme Price will always represent at least a 2 per cent. premium to the then prevailing cum income Net Asset Value.

13. Third party information and consents

Numis, as sponsor and broker has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which it appears.

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

14. General

The Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.

No application is being made for the Ordinary Shares to be listed or dealt in on any stock exchange or investment exchange other than the London Stock Exchange.

The publication or delivery of this document shall not under any circumstances imply that the information contained in this document is correct as at any time subsequent to the date of this document or that there has not been any change in the affairs of the Company since that date.

15. Auditor

The auditor of the Company is PricewaterhouseCoopers CI LLP of PO Box 321, Royal Bank Place, 1 Glatigny Esplanade, St Peter Port, Guernsey GY1 4ND.

16. Working capital

In the Company's opinion, on the basis that the minimum net proceeds of £75 million are raised, the working capital available to it is sufficient for its present requirements, that is for at least 12 months following the date of this Prospectus.

17. Capitalisation and indebtedness

Details of capitalisation are set out in paragraph 3 of this Part 10. As at the date of this document, the Company had no guaranteed and unguaranteed, secured and unsecured indebtedness

There are no indirect or contingent liabilities.

18. Overseas investors

If you receive a copy of this Prospectus in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you. It is your responsibility, if you are outside the United Kingdom and wishing to make an application for Ordinary Shares, to satisfy yourself that you have fully observed 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. The Company reserves the right, in its absolute discretion, to reject any application received from outside the United Kingdom.

Without limiting the above, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within Canada, Australia, the Republic of South Africa, the Republic of Ireland, Japan or in the United States except in reliance on, or in a transaction not subject to, the registration requirements under the Securities Act or other relevant legislation. If you subscribe for Ordinary Shares you will, unless the Company agrees otherwise in writing, be deemed to represent and warrant to the Company and its agents that you are not in Canada, Australia, the Republic of South Africa, the Republic of Ireland, Japan or the United States. No application will be accepted if it bears an address in Canada, Australia, the Republic of South Africa, the Republic of Ireland, Japan or the United States or appears to have been posted from Canada, Australia, the Republic of South Africa, the Republic of Ireland, Japan or the United States or otherwise where there is cause to believe you are in Canada, Australia, the Republic of South Africa, the Republic of Ireland, Japan or the United States.

19. Fair Treatment of investors

The Company's AIFM, with effect from the AIFMD Implementation Date, will have established procedures, arrangements and policies to ensure compliance with the principles more particularly described in the AIFM Rules relating to the fair treatment of investors. The principles of treating investors fairly include, but are not limited to:

- acting in the best interests of the Company and of the Shareholders;
- ensuring that the investment decisions taken for the account of the Company are executed in accordance with the Company's investment policy and objective and risk profile;
- ensuring that the interests of any group of Shareholders are not placed above the interests of any other group of Shareholders;
- ensuring that fair, correct and transparent pricing models and valuation systems are used for the Company;
- preventing undue costs being charged to the Company and Shareholders;
- taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of Shareholders; and
- recognising and dealing with complaints fairly.

The Company's AIFM, with effect from the AIFMD Implementation Date, will maintain and operate organisational, procedural and administrative arrangements and implement policies and procedures designed to manage actual and potential conflicts of interest.

20. Availability of Prospectus

A copy of this Prospectus will be available for inspection at The National Storage Mechanism which is located at www.hemscott.com/nsm.do, and for as long as Ordinary Shares are available for issue under this Prospectus, copies of this Prospectus are available for collection, free of charge from the offices of the Administrator. The Prospectus will also be available on the Company's website – www.selectmonthlyincomefund.com.

21. Documents on display

The following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Eversheds LLP, One Wood Street, London EC2V 7WS, from the date of this Prospectus until Placing and Offer for Subscription close:

21.1 this Prospectus dated 18 February 2014;

21.2 the Memorandum of Incorporation of the Company and the Articles; and

21.3 the material contracts referred to in paragraph 9 of this Part 10 of the Prospectus.

PART 11: TERMS AND CONDITIONS OF APPLICATION UNDER THE PLACING AND PLACING PROGRAMME

1. Introduction

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

The Company and/or Numis 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.

2. Agreement to Subscribe for Ordinary Shares

Conditional on: (i) first Admission occurring and becoming effective by 8.00 a.m. (London time) on or prior to 10 March 2014 (or such later time and/or date, not being later than 8.00 a.m. on 31 March 2014, as the Company and Numis may agree) and any subsequent admission under the Placing Programme occurring not later than 8.00 a.m. on such other dates as may be agreed between the Company and Numis prior to the closing of each placing under the Placing Programme, not being later than 17 February 2015; (ii) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated on or before 8.00 a.m. on 17 February 2015; and (iii) Numis confirming to the placees their allocation of Ordinary Shares, a placee agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares allocated to it by Numis at the Issue Price or the applicable Placing Programme Price, as the case may be. 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

Each placee must pay the Issue Price or the Placing Programme Price, as applicable for the Ordinary Shares issued to the placee in the manner and by the time directed by Numis. If any placee fails to pay as so directed and/or by the time required, the relevant placee's application for Ordinary Shares shall be rejected.

4. Representations and Warranties

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

- (a) in agreeing to subscribe for Ordinary Shares under the Placing and/or the Placing Programme, 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, the Ordinary Shares, the Placing and/or the Placing Programme. It agrees that none of the Company, the Portfolio Manager, Numis or the Registrar, nor any of their respective officers, agents employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- (b) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Ordinary Shares under the Placing and/or the Placing Programme, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Portfolio Manager, Numis 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 and/or the Placing Programme;
- (c) it has carefully read and understands this Prospectus in its entirety and acknowledges that it is acquiring Ordinary Shares on the terms and subject to the conditions set out in this Part 11 and the Articles as in force at the date of admission of the relevant Ordinary Shares;

- (d) it has not relied on Numis or any person affiliated with Numis in connection with any investigation of the accuracy of any information contained in this Prospectus;
- (e) the content of this Prospectus is exclusively the responsibility of the Company and its Directors and neither Numis nor any person acting on its behalf nor any of its affiliates are responsible for or shall have any liability for any information, representation or statement contained in this Prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a placee to participate in the Placing and/or the Placing Programme based on any information, representation or statement contained in this Prospectus or otherwise;
- (f) it acknowledges that no person is authorised in connection with the Placing and/or the Placing Programme to give any information or make any representation other than as contained in this Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by Numis, the Company or the Portfolio Manager;
- (g) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (h) it accepts that none of the Ordinary Shares have been or will be registered under the laws of the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. Accordingly, the Ordinary Shares may not be offered, sold, issued or delivered, directly or indirectly, within any of United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan unless an exemption from any registration requirement is available;
- (i) 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 is a person to whom the Ordinary Shares may otherwise lawfully be offered under such Order, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Ordinary Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- (j) if it is a resident in the EEA (other than the United Kingdom), (a) it is a qualified investor within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of Directive 2003/71 /EC and (b) if that relevant Member State has implemented the AIFM Directive, that it is a person to whom the Ordinary Shares may lawfully be marketed under the AIFM Directive or under the applicable implementing legislation (if any) of that relevant Member State;
- (k) in the case of any Ordinary Shares acquired by an investor as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive (i) the Ordinary Shares acquired by it in the Placing and/or the Placing Programme have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive 2010/73/EU, or in circumstances in which the prior consent of Numis has been given to the offer or resale; or (ii) where Ordinary Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those Ordinary Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- (l) if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Placing and/or the Placing Programme constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Ordinary Shares pursuant to the Placing and/or the Placing Programme unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Ordinary Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- (m) 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;

- (n) if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for Ordinary Shares under the Placing and/or the Placing Programme and will not be any such person on the date any such agreement to subscribe under the Placing or Placing Programme is accepted;
- (o) it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other offering materials concerning the Issue, the Placing Programme or the Ordinary Shares to any persons within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- (p) it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading "United States Purchase and Transfer Restrictions" in paragraph 5, below;
- (q) it acknowledges that neither Numis nor any of its affiliates nor any person acting on its behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and Placing Programme or providing any advice in relation to the Placing and/or Placing Programme and participation in the Placing and/or Placing Programme is on the basis that it is not and will not be a client of Numis and that Numis 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 and/or Placing Programme nor in respect of any representations, warranties, undertaking or indemnities otherwise required to be given by it in connection with its application under the Placing and/or the Placing Programme;
- (r) it acknowledges that where it is subscribing for Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Ordinary Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this Prospectus; and (iii) to receive on behalf of each such account any documentation relating to the Placing and/or Placing Programme in the form provided by the Company and/or Numis. It agrees that the provision of this paragraph shall survive any resale of the Ordinary Shares by or on behalf of any such account;
- (s) it irrevocably appoints any director of the Company and any director of Numis 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 and/or the Placing Programme, in the event of its own failure to do so;
- (t) it accepts that if the Placing and/or Placing Programme does not proceed or the conditions to the Placing Agreement are not satisfied or the Ordinary Shares for which valid application are received and accepted are not admitted to listing on the premium segment of the Official List and to trading on the Main Market for any reason whatsoever then none of Numis or the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- (u) in connection with its participation in the Placing and/or Placing Programme it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering ("Money Laundering Legislation") and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or (iii) subject to the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, as amended together with any regulations and guidance notes issued pursuant thereto; or (iv) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;

- (v) it acknowledges that due to anti-money laundering requirements, Numis and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Numis and the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Numis 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;
- (w) it acknowledges that any person in Guernsey involved in the business of the Company who has a suspicion or belief that any other person (including the Company or any person subscribing for Ordinary Shares) is involved in money laundering activities, is under an obligation to report such suspicion to the Financial Intelligence Service pursuant to the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 (as amended);
- (x) it acknowledges and agrees that information provided by it to the Company, Registrar or Administrator will be stored on the Registrar's and the Administrator's computer system and manually. It acknowledges and agrees that for the purposes of the Data Protection (Bailiwick of Guernsey) Law 2001 (the "Data Protection Law") and other relevant data protection legislation which may be applicable, the Registrar and the Administrator are required to specify the purposes for which they will hold personal data. The Registrar and the Administrator will only use such information for the purposes set out below (collectively, the "Purposes"), being to:
 - (i) process its personal data (including sensitive personal data) as required by or in connection with its holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;
 - (ii) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
 - (iii) provide personal data to such third parties as the Administrator or Registrar may consider necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares or as the Data Protection Law may require, including to third parties outside the Bailiwick of Guernsey or the European Economic Area;
 - (iv) without limitation provide such personal data to the Company, Phoenix and the Depositary or the Portfolio Manager and their respective associates for processing, notwithstanding that any such party may be outside the Bailiwick of Guernsey or the European Economic Area; and
 - (v) process its personal data for the Administrator's internal administration.
- (y) in providing the Registrar and the Administrator with information, it hereby represents and warrants to the Registrar and the Administrator that it has obtained the consent of any data subjects to the Registrar and the Administrator and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out in paragraph (x) above). For the purposes of this Prospectus, "data subject", "personal data" and "sensitive personal data" shall have the meanings attributed to them in the Data Protection Law;
- (z) Numis and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- (aa) the representations, undertakings and warranties contained in this Prospectus are irrevocable. It acknowledges that Numis, the Company, the Portfolio Manager and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Ordinary Shares are no longer accurate, it shall promptly notify Numis and the Company;
- (bb) where it or any person acting on behalf of it is dealing with Numis, any money held in an account with Numis 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 Financial Conduct Authority which therefore will not require Numis to segregate such money, as that money will be held by Numis under a banking relationship and not as trustee;

- (cc) any of its clients, whether or not identified to Numis, will remain its sole responsibility and will not become clients of Numis for the purposes of the rules of the Financial Conduct Authority or for the purposes of any other statutory or regulatory provision;
- (dd) it accepts that the allocation of Ordinary Shares shall be determined by Numis in its absolute discretion but in consultation with the Company and that the Company may scale down any Placing commitments for this purpose on such basis as it may determine; and
- (ee) 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 and/or the Placing Programme.

5. United States Purchase and Transfer Restrictions

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

- (a) it is not a U.S. 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 U.S. Person;
- (b) it acknowledges that the Ordinary Shares have not been and will not be registered under the U.S. 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, U.S. Persons absent registration or an exemption from registration under the Securities Act;
- (c) 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;
- (d) unless the Company expressly consents in writing otherwise, no portion of the assets used to purchase, and no portion of the assets used to hold, the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of (i) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “plan” as defined in Section 4975 of the Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Tax Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code, its purchase, holding, and disposition of the Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- (e) that 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:

“TWENTYFOUR SELECT MONTHLY INCOME FUND LIMITED (THE “COMPANY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. 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 U.S. SECURITIES ACT OF 1933, AS AMENDED, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.”;
- (f) if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act and under circumstances which will not require the Company to register under the Investment Company Act. It acknowledges that any sale,

transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;

- (g) it is purchasing the Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Ordinary Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;
- (h) it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or interests therein at any time as to such person's status under U.S. 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 U.S. securities laws to transfer such Ordinary Shares or interests in accordance with the Articles;
- (i) it acknowledges and understands that the Company may be required to comply with FATCA. The Purchaser agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA. The Purchaser further consents to allowing, and authorising the Company to disclose and supply any information, forms or documentation in relation to it to the "Competent Authority" of Guernsey, as defined in the Agreement Between the Government of the United States of America and the Government of the States of Guernsey to Improve International Tax Compliance and to Implement FATCA signed on 13 December 2013, or any other relevant governmental authority of any jurisdiction to the extent required under FATCA (and to the extent relevant, it shall procure that the beneficial owner of the shares provides such consent and authorisation to the Company in respect of any such information, forms or documentation relating to it);
- (j) it is entitled to acquire the Ordinary Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Portfolio Manager, the Company's AIFM, Numis or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Placing and/or the Placing Programme or its acceptance of participation in the Placing and/or the Placing Programme;
- (k) it has received, carefully read and understands this Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offering materials concerning the Ordinary Shares to within the United States or to any U.S. Persons, nor will it do any of the foregoing; and
- (l) if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

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

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

6. Supply and Disclosure of Information

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

7. Miscellaneous

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

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

Each placee agrees to be bound by the Articles once the Ordinary Shares, which the placee has agreed to subscribe for pursuant to the Placing and/or the Placing Programme, have been acquired by the placee. The contract to subscribe for Ordinary Shares under the Placing and/or the Placing Programme 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 Numis, the Company, the Portfolio Manager, the Company's AIFM and the Registrar, each placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the placee in any other jurisdiction.

In the case of a joint agreement to subscribe for Ordinary Shares under the Placing and/or the Placing Programme, references to a "placee" in these terms and conditions are to each of the placees who are a party to that joint agreement and their liability is joint and several.

Numis and the Company expressly reserve the right to modify the Placing and/or the Placing Programme (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Placing and/or the Placing Programme is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are contained in paragraph 9 of Part 10 of this Prospectus.

PART 12: TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION

1. Introduction

If you apply for Ordinary Shares under the Offer for Subscription, you will be agreeing with the Company, Numis and the Receiving Agent as set out in this Part 12.

2. Offer to acquire Ordinary Shares under the Offer for Subscription

Your application must be made on the Application Form set out at Appendix 1 of this document or otherwise published by the Company. By completing and delivering an Application Form, you, as the applicant, and, if you complete an Application Form on behalf of another person or a corporation, that person or corporation:

- 2.1 offer to subscribe for the number of Ordinary Shares specified in section 1 of your Application Form (or such lesser number for which your application is accepted) at the Issue Price per Ordinary Share on the terms, and subject to the conditions, set out in this document (including this Part 12) and the Memorandum and Articles of Incorporation of the Company;
- 2.2 agree that, in consideration of the Company and Numis agreeing that they will not, prior to Admission, offer for subscription any Ordinary Shares to any person other than by means of the procedures referred to in this document, your application may not be revoked until after 31 March 2014 and shall not be revoked after Admission and that this paragraph 2.2 shall constitute a collateral contract between you, the Company and Numis which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by the Receiving Agent of your Application Form;
- 2.3 warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to have any Ordinary Shares applied for in uncertificated form credited to a CREST account or to receive a share certificate for any Ordinary Shares applied for in certificated 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 any associated aggregated commission) 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 Company and the Receiving Agent against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to issue such Ordinary Shares and may issue them to some other person(s), in which case you will not be entitled to any refund or payment in respect thereof (other than the refund to you at your risk of any proceeds of the remittance, once honoured, which accompanied your Application Form, without interest);
- 2.4 agree that the crediting to a CREST account of any Ordinary Shares in uncertificated form to which you may become entitled may be delayed by, and that any share certificate in respect of any Ordinary Shares in certificated form to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled and monies returnable 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 subparagraphs 6.1, 6.2, 6.6, 6.8 or 6.9 of this Part 12 or any other suspected breach of the terms and conditions of application set out in this Part 12; or
 - (c) pending any verification of identity which is, or which the Company or Numis considers may be, required for the purposes of its money laundering obligations under the UK Money Laundering Regulations 2007, the Money Laundering Directive (Council Directive No. 91/308/EEC), the Criminal Justice (Proceeds of Crime) (Financial Services Businesses) (Bailiwick of Guernsey) Regulations 2007 and the Handbook of Financial Services Business (together referred to as the “**Money Laundering Regulations**”) (in each case as amended) and any other regulations applicable thereto,

and any interest accruing on such retained monies shall accrue to and for the sole benefit of the Company;

- 2.5 agree, on the request of the Company or Numis, to disclose promptly in writing to them such information as the Company or Numis may request in connection with your application and authorise the Company, Numis and the Receiving Agent to disclose any information relating to your application which they may consider appropriate;
- 2.6 agree that, if evidence of identity satisfactory to the Company, and/or the Receiving Agent is not provided to the Receiving Agent within a reasonable time in the opinion of Numis following a request therefor, the Company or Numis may terminate the agreement with you to issue Ordinary Shares and, in such case, the Ordinary Shares which would otherwise have been issued to you may be re-issued and your application monies will be returned to the bank or other account on which the cheque or other remittance accompanying the application was drawn, or from which any electronic interbank transfer (CHAPS) was made, without interest and at your risk;
- 2.7 agree that you are not applying on behalf of a person engaged in money laundering;
- 2.8 undertake to ensure that, in the case of an Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certificate by a solicitor or notary) is enclosed with your Application Form;
- 2.9 undertake to pay interest at the rate described in paragraph 3.3 of this Part 12 if the remittance accompanying your Application Form is not honoured on first presentation;
- 2.10 authorise the Receiving Agent to credit the CREST account specified in section 5 of the Application Form with the number of Ordinary Shares for which your application is accepted or, if that section is not completed, send a definitive certificate in respect of the number of Ordinary Shares for which your application is accepted by post to your address (or that of the first-named applicant) as set out in your Application Form;
- 2.11 agree that, in the event of any difficulties or delays in the admission of the Ordinary Shares to CREST or the use of CREST in relation to the Issue, the Company and Numis may agree that all of the Ordinary Shares should be issued in certificated form;
- 2.12 authorise the Receiving Agent to send a crossed cheque for any monies returnable (without interest) by post to your address (or that of the first-named applicant) as set out in your Application Form;
- 2.13 confirm that you have read and complied with paragraph 8.2 of this Part 12;
- 2.14 consent to the processing of personal data given in relation to your application and acknowledge and accept that information provided by you to the Company, Receiving Agent or Administrator will be stored on the Receiving Agent's and the Administrator's computer system and manually. You acknowledge and agree that for the purposes of the Data Protection (Bailiwick of Guernsey) Law, 2001 (the "**Data Protection Law**") and other relevant data protection legislation which may be applicable, the Receiving Agent and the Administrator are required to specify the purposes for which they will hold personal data. The Receiving Agent and the Administrator will only use such information for the purposes set out below (collectively, the "**Purposes**"), being to:
 - (a) process your personal data (including sensitive personal data) as required by or in connection with your holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on you;
 - (b) communicate with you as necessary in connection with your affairs and generally in connection with your holding of Ordinary Shares;
 - (c) provide personal data to such third parties as the Administrator or Receiving Agent may consider necessary in connection with your affairs and generally in connection with your holding of Ordinary Shares or as the Data Protection Law may require, including to third parties outside the Bailiwick of Guernsey or the European Economic Area;
 - (d) without limitation, provide such personal data to the Company, Numis, Phoenix, the Portfolio Manager, the Depositary, the Administrator, the Receiving Agent and their respective associates for processing, notwithstanding that any such party may be outside the Bailiwick of Guernsey or the European Economic Area; and
 - (e) process your personal data for the Administrator's internal administration.

In providing the Receiving Agent and the Administrator with information, you hereby represent and warrant to the Receiving Agent and the Administrator that you have obtained the consent of any data subjects to the Receiving Agent and the Administrator and their respective associates holding and using their personal data for the purposes (including the explicit consent of the data subject for the processing of any sensitive personal data for the Purposes set out in paragraph 2.14 (a) above). For the purposes of this document, “data subject”, “personal data” and “sensitive personal data” shall have the meanings attributed to them in the Data Protection Law; and

2.15 agree that your Application Form is addressed to the Company.

3. Acceptance of Applications

3.1 In respect of those Ordinary Shares for which your application has been received and is not rejected, acceptance of your application shall be constituted, at the election of the Company, or Numis on behalf of the Company, either:

- (i) by notifying the UK Listing Authority of the basis of allocation (in which case the acceptance will be on that basis); or
- (ii) by notifying acceptance thereof to the Receiving Agent.

3.2 The basis of allocation will be determined by the Company in consultation with Numis. The right is reserved notwithstanding the basis so determined to reject in whole or in part and/or scale down any application. The right is also reserved to treat as valid any application not complying fully with the terms and conditions of application set out in this Part 12 or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with it in some other manner to apply in accordance with the terms and conditions of application in this Part 12. The Company reserves the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received through the post after 11.00am on 4 March 2014.

3.3 The right is reserved to present all cheques for payment on receipt by the Receiving Agent and to retain documents of title and surplus application monies pending clearance of successful applicant's cheques. The Company may require you to pay interest or its other resulting costs (or both) if any cheque accompanying your application is not honoured on first presentation. If you are required to pay interest, you will be obliged to pay the amount determined by the Company to be the interest on the amount of the cheque from the date on which the basis of allocation under the Offer for Subscription is publicly announced until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Company plus 2 per cent. per annum.

3.4 The right is reserved to reject in whole or in part or to scale down or limit, any application.

3.5 The Company reserves the right in its absolute discretion (but shall not be obliged) to accept applications for less than 1,000 Ordinary Shares, or applications which are more than 1,000 but not a multiple of 100 thereafter.

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:

- (i) Admission by 8.00 a.m. on 10 March 2014 (or such later time or date, not being later than 8.00 a.m. on 31 March 2014, as the Company and Numis may agree); and
- (ii) the Placing Agreement referred to in paragraph 9.6 of Part 10 of this document becoming unconditional and the obligations of Numis thereunder not being terminated.

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

If any application is not accepted in whole, or is accepted in part only (as a result of any scaling back of any part of an application), or if any contract created by acceptance does not become

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

6. Warranties

By completing an Application Form, you:

- 6.1 warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person or corporation and that such other person or corporation will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in this Part 12 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 that, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, 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 such territory or jurisdiction and that you have not taken any action or omitted to take any action which will result in the Company, Numis, the Portfolio Manager, the Company's AIFM 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 the United Kingdom in connection with the Offer for Subscription in respect of your application;
- 6.3 confirm that, in making an application, you are not relying on any information or representations in relation to the Company other than those contained in this Prospectus (on the basis of which alone your application is made) and, accordingly, you agree that no person responsible solely or jointly for this document or any part of it shall have any liability for any such other information or representation;
- 6.4 agree that, having had the opportunity to read this document, you shall be deemed to have had notice of all information and representations contained in it;
- 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, if given or made, any information or representation must not be relied upon as having been authorised by the Company or Numis;
- 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, Numis or the Receiving Agent will be sent at your risk and, in the case of documents and returned monies to be sent to you, may be sent to you at your address (or, in the case of joint applicants, the address of the first-named applicant) as set out in your Application Form;
- 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); and
- 6.9 confirm that you have reviewed the restrictions contained in paragraph 2 of this Part 12 and warrant to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions in that paragraph.

7. Money Laundering

- 7.1 You agree that, in order to ensure compliance with the Money Laundering Regulations (as amended) and any other regulations applicable thereto the Company and/or the Receiving Agent may, at its/their absolute discretion, require verification of identify from any person lodging an Application Form who either:
 - 7.1.1 tenders payment by way of banker's draft or cheque or money order drawn on, or by way of telegraphic transfer or similar electronic means from, an account in the name of another person or persons (in which case verification of your identity may be required);
 - or

7.1.2 appears to the Receiving Agent to be acting on behalf of some other person (in which case verification of or identity of any persons on whose behalf you appear to be acting may be required).

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

Without prejudice to the generality of paragraph 7 of this Part 12, verification of the identity of applicants will be required if the value of the Ordinary Shares applied for, whether in one or more applications, exceeds £10,000. If the value of the Ordinary Shares which you are applying for, whether in one or more applications, exceeds £10,000 you must ensure that section 8.1, 8.2 or 8.3 (as appropriate) of the Application Form is completed.

8. Overseas Investors

The attention of investors who are not resident in, or citizens of, countries other than the United Kingdom and Guernsey is drawn to paragraph 8.1 to 8.4 below:

- 8.1 The offer of Ordinary Shares under the Offer for Subscription to persons who are resident in, or citizens of, countries other than the United Kingdom and Guernsey may be affected by the law of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for Ordinary Shares under the Offer for Subscription. It is the responsibility of all such persons receiving this Prospectus and/or wishing to subscribe for Ordinary Shares under the Offer for Subscription, to satisfy themselves as to full observance of the laws of any relevant territory or jurisdiction in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities requiring to be observed and paying any issue, transfer or other taxes due in such territories.
- 8.2 No person receiving a copy of this Prospectus in any territory other than the United Kingdom or Guernsey may treat the same as constituting an offer or invitation to him, unless in the relevant territory such an offer can lawfully be made to him without compliance with any further registration or other legal requirements.
- 8.3 Persons (including, without limitation, nominees and trustees) receiving this Prospectus should not distribute or send it to any U.S. Person or in or into the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan, their respective territories or possessions or any other jurisdiction where to do so would or might contravene local securities laws or regulations.
- 8.4 The Company reserves the right to treat as invalid any agreement to subscribe for Ordinary Shares pursuant to the Offer for Subscription 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.

9. Miscellaneous

- 9.1 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.
- 9.2 The rights and remedies of the Company, Numis and the Receiving Agent, pursuant to this Part 12 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.
- 9.3 The Company reserves the right to delay the closing time of the Offer for Subscription from 11.00am on 4 March 2014 by giving notice to the UK Listing Authority. In this event, the revised closing time will be published in such manner as Numis, in consultation with the Company, determines subject and having regard, to the Listing Rules, the Prospectus Rules and any other requirements of the UK Listing Authority.
- 9.4 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 to you without interest.

- 9.5 You agree that Numis is acting for the Company in connection with the Issue and for no-one else and that Numis will not treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of Ordinary Shares or concerning the suitability of Ordinary Shares for you or otherwise in relation to the Offer for Subscription.
- 9.6 You authorise the Receiving Agent, Numis or any person authorised by them or the Company, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by you into your name(s) and authorise any representatives of the Receiving Agent or of Numis to execute and/or complete any document required therefor.
- 9.7 You agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription shall be governed by and construed in accordance with English law and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company, Numis or the Receiving Agent to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances and contracts in any other manner permitted by law or in any court of competent jurisdiction.
- 9.8 The dates and times referred to in this Part 12 may be altered by the Company so as to be consistent with the Placing Agreement (as the same may be altered from time to time in accordance with its terms).
- 9.9 Save where the context requires otherwise, terms used in this Part 12 bear the same meaning as where used elsewhere in this document.

10. Joint Applicants

If you make a joint application, you will not be able to transfer your Ordinary Shares into an ISA, SIPPS or SSAS. If you are interested in transferring your Ordinary Shares into an ISA, SIPPS or SSAS, you should apply in your name only.

If you do wish to apply jointly, you may do so with up to three other persons. Sections 2 and 3 of the Application Form must be completed by one applicant. All other persons who wish to join in the application must complete and sign section 6 of the Application Form.

Another person may sign on behalf of any joint applicant if that other person is duly authorised to do so under a power of attorney. The original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) must be enclosed for inspection. Certificates, cheques and other correspondence will be sent to the address set out in the first paragraph of the Application Form.

11. Contact Telephone Number

Insert in section 7 of the Application Form a daytime contact telephone number, including STD, (and, if different, from the person named in section 2 of the Application Form, the name of the person to contact) in the case of any queries regarding your application.

12. Verification of Identity

Section 8 of the Application Form only applies if the value of the Ordinary Shares which you are applying for, whether in one or more applications, exceeds £10,000. If section 8 applies to your application, you must ensure that section 8.1, 8.2 or 8.3 (as appropriate) is completed.

12.1 Professional adviser or intermediary

You should complete section 8.1 of the Application Form if you are a stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 or, if outside the United Kingdom, another appropriately authorised independent financial adviser acting on behalf of a client.

12.2 Applicant identity information

Section 8.3 of the Application Form need only be completed where the value of the Ordinary Shares which you are applying for, whether in one or more applications, exceeds £10,000 and neither sections 8.1 nor 8.2 of the Application Form can be completed.

Notwithstanding that the declaration set out in section 8.2 of the Application Form has been completed and signed, the Receiving Agent, Numis and the Company reserve the right to request

of you the identity documents listed in section 8.3 of the Application Form and/or to seek verification of identity of each holder and payer (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time, your application might be rejected or revoked.

Where certified copies of documents are requested in section 8.3 of the Application Form, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

13. Instructions for Delivery of Completed Application Forms

Completed Application Forms should be returned, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol B599 6AH or (during normal business hours only) by hand to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, so as to be received by no later than 11.00 a.m. on 4 March 2014. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after 11.00 a.m. on 4 March 2014 may be rejected and returned to the first-named applicant.

PART 13: TERMS AND CONDITIONS OF THE QUARTERLY TENDERS

1. Annual Circulars

- 1.1 Shareholders have no right to have their Shares repurchased or redeemed. However, subject to Shareholder approval, the Directors will offer Quarterly Tenders which will be subject to the terms and conditions set out in this Part 13 of this Prospectus and in the Annual Circular to be distributed to Shareholders in advance of each AGM or, in the case of the Quarterly Tenders which may be held between Admission and the Company's first AGM in 2015, in the notice enclosed in Appendix 2 to this Prospectus.
- 1.2 Each Annual Circular will be accompanied by a Tender Form which may be used in respect of any of the four Quarterly Tenders which, if approved by Shareholders, would occur in the year to which that Annual Circular relates. Annual Circulars and Tender Forms will be available for download from the Company's Website and will be available in hard copy upon request from the Registrar.
- 1.3 The terms and conditions of each Quarterly Tender contained in an Annual Circular will be substantially the same as set out in this Part 13 of this Prospectus, but will provide the specific terms, including all relevant dates for Shareholder actions, for each of the four Quarterly Tenders to which that Annual Circular relates (the "**Tender Terms and Conditions**").
- 1.4 Changes of a technical or administrative nature to the Tender Terms and Conditions may be made at the Directors' discretion and will be published on the Company's Website. Shareholders accepting a tender offer will be deemed to have accepted such changes, if any.

2. Quarterly Tenders

- 2.1 When the Company is conducting a Quarterly Tender, all Shareholders (other than Restricted Shareholders) who held Shares on the relevant Quarter Record Date may tender Shares for purchase by the Company subject to the Tender Terms and Conditions.
- 2.2 Shareholders are not obliged to tender any Shares during a Quarterly Tender.
- 2.3 The Company will calculate the Tender Price for each Quarterly Tender as at the relevant Tender NAV Determination Date. Tender Purchases will be made at the Tender Price. The calculations approved by the Directors will be conclusive and binding on all Shareholders.
- 2.4 The consideration for each Tender Purchase will be paid in accordance with the settlement procedures set out in paragraph 6.4 in this Part 13 of this Prospectus.
- 2.5 Subject to the Tender Restrictions, on a Quarterly Tender becoming unconditional and unless such Quarterly Tender has been terminated in accordance with the provisions of the section entitled "Termination of a Quarterly Tender" in this Part 13 of this Prospectus, the Company will purchase the validly and successfully tendered Shares of Shareholders in accordance with the Tender Terms and Conditions.

3. Conditions and Restrictions on Quarterly Tenders

- 3.1 Whether tender offers are made and the Company's authority to operate the Quarterly Tender facility each year is conditional on the approval by Shareholders by way of a Special Resolution, which will be presented at each AGM or at an extraordinary general meeting held around the time of the relevant AGM.
- 3.2 A Tender Purchase may not be made to the extent that such Tender Purchase would cause the Company to exceed the Quarterly Restriction.
- 3.3 A Tender Purchase may not be made to the extent that such Tender Purchase would cause the Company to exceed the Annual Restriction.
- 3.4 The Company will not purchase any Shares pursuant to a particular Quarterly Tender unless the conditions in this paragraph 3 of this Part 13 of this Prospectus are satisfied.
- 3.5 The conditions and Tender Restrictions may not be waived by the Company, save with the prior approval of Shareholders by a Special Resolution, which may be general or specific in nature.

4. Basic Entitlement and Excess Tenders

- 4.1 In respect of each Quarterly Tender, each Shareholder (other than a Restricted Shareholder) whose name appears on the register at the relevant Quarter Record Date will be entitled to sell to the Company up to their Basic Entitlement, unless such percentage is subject to any Pro Rata Scaling Back to comply with the Annual Restriction.
- 4.2 Shareholders will be entitled to sell more Shares than their Basic Entitlement, but such orders will only be filled by the Company to the extent that other Shareholders tender less than the aggregate of their Basic Entitlements. In these circumstances, excess Tender Requests will be satisfied *pro rata* and in proportion to the amounts of Shares tendered by each relevant Shareholder in excess of their Basic Entitlement (rounded down to the nearest whole number of Shares).
- 4.3 Registered Shareholders who hold Shares for multiple beneficial owners may decide the allocation between such beneficial owners at their own discretion.

5. Procedure for Tendering Shares

- 5.1 Ordinary Shares held in certificated form (that is, not in CREST)

- 5.1.1 Completion of Tender Forms

If Shares are held in certificated form, separate Tender Forms should be completed for Shares held under different designations. Additional Tender Forms will be available from the Receiving Agent, whose details will be provided in the relevant Annual Circular and on the Company's Website.

- 5.1.2 Return of Tender Forms

The completed and signed Tender Form should be sent either by post using your own envelope or delivering by hand (during normal business hours) to the Receiving Agent, whose details will be provided in the relevant Annual Circular, so as to arrive by no later than the Tender Submission Deadline. No Tender Forms received after a relevant Tender Submission Deadline will be accepted. No acknowledgement of receipt of documents will be given. Any Tender Form received in an envelope postmarked from a Restricted Territory or otherwise appearing to the Company or its agents to have been sent from any Restricted Territory may be rejected as an invalid tender. Further provisions relating to Restricted Shareholders are contained in the section entitled "Restricted Shareholders and Overseas Shareholders" in this Part 13 of this Prospectus.

The completed and signed Tender Form should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with a stockbroker, bank or other agent), the Tender Form should nevertheless be completed, signed and returned as described above so as to be received by the Receiving Agent by no later than the relevant Tender Submission Deadline together with any share certificate(s) and/or other document(s) of title the Shareholder may have available, accompanied by a letter stating that the (remaining) share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter and, in any event, not later than the relevant Tender Submission Deadline.

The Receiving Agent, acting as each Shareholder's agent, will effect such procedures as are required to transfer the Shareholder's Shares to the Company under the Quarterly Tender.

If share certificate(s) and/or other document(s) of title have been lost, the Shareholder should either call the Receiving Agent using the telephone numbers provided in the relevant Annual Circular or write to the Receiving Agent at the address provided in the relevant Annual Circular for a letter of indemnity in respect of the lost share certificate(s) and/or any other document(s) of title which, when completed in accordance with the instructions given, should be returned to the Receiving Agent at the address provided in the relevant Annual Circular so as to be received by no later than the relevant Tender Submission Deadline.

5.2 Shares held in uncertificated form (that is, in CREST)

5.2.1 Completion of TTE Instruction

If the Shares to be tendered are held in uncertificated form, each Shareholder should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Shares which such Shareholder wishes to tender in respect of a Quarterly Tender to an escrow balance, specifying the Receiving Agent under its participant ID (referred to below) as the escrow agent, as soon as possible and, in any event, so that the transfer to escrow settles not later than the relevant Tender Submission Deadline.

Shareholders who are CREST sponsored members should refer to their CREST sponsor before taking any action. The CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to the Shares which the Shareholder wishes to tender.

Shareholders should send (or, if a Shareholder is a CREST sponsored member, procure that their CREST sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specification and which must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:

- the ISIN number for the Shares, this is GG00BJVDZ946;
- the number of Shares to be transferred to an escrow balance;
- the Shareholder's member account ID;
- the Shareholder's participant ID;
- the Receiving Agent's participant ID as the escrow agent (whose details are set out in the Annual Circular);
- the Receiving Agent's member account ID of the escrow agent (whose details are set out in the Annual Circular);
- the Corporate Action Number for the Quarterly Tender. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and in any event by no later than the relevant Tender Submission Deadline; and
- input with standard delivery instruction priority of 80.

After settlement of the TTE Instruction, Shareholders will not be able to access the Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by the Receiving Agent as agent of the Shareholder until completion or termination or lapse of the relevant Quarterly Tender. If a Quarterly Tender becomes unconditional, the Receiving Agent will transfer the Shares which are accepted for purchase by the Company to itself as the Shareholder's agent for onward sale to the Company.

Shareholders are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined above.

Shareholders should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. Shareholders should therefore ensure that they (or their CREST sponsor) take all necessary action to enable a TTE Instruction relating to their Shares to settle prior to the relevant Tender Submission Deadline. In connection with this, Shareholders are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

5.2.2 Deposits of Shares into, and withdrawals of Shares from, CREST

Normal CREST procedures (including timings) apply in relation to any Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of a Quarterly Tender (whether such conversion

arises as a result of a transfer of Shares or otherwise). Shareholders who are proposing to convert any such Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Quarterly Tender (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfers to an escrow balance as described above) prior to the relevant Tender Submission Deadline.

5.3 Validity of Tender Forms and TTE Instructions

5.3.1 Notwithstanding the powers in paragraph 10.4 in this Part 13 of this Prospectus, the Company reserves the right to treat as valid only Tender Forms and TTE Instructions which are received entirely in order by the relevant Tender Submission Deadline, which are accompanied (in the case of Shares held in certificated form) by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof.

5.3.2 Notwithstanding the completion of a valid Tender Form or TTE Instruction, a Quarterly Tender may terminate in accordance with the Tender Terms and Conditions.

5.3.3 The decision of the Company as to which Shares have been validly tendered shall be conclusive and binding on Shareholders who participate in a Quarterly Tender.

5.3.4 Shareholders should contact the Receiving Agent using the details provided in the relevant Annual Circular if they are in any doubt as to how to complete the Tender Form or submit a TTE Instruction or as to the procedures for tendering Shares. Shareholders who are CREST sponsored members should contact their CREST sponsor before taking any action.

6. Announcement of the Tender Price and Settlement

6.1 Unless terminated in accordance with the provisions set out in the section entitled "Termination of a Quarterly Tender" in this Part 13 of this Prospectus, a Quarterly Tender will close for Shareholders at the Tender Submission Deadline specified for that Quarterly Tender in the relevant Annual Circular. It is expected that on the next Business Day following each Tender NAV Determination Date specified in an Annual Circular, the Company will make a public announcement of the NAV per Ordinary Share, average price achieved in the placing of Placed Tendered Shares and the resulting Tender Price, being a *pro rata* proportion of the aggregate proceeds received on the sale or repurchase of all Placed Tendered Shares and Repurchased Tendered Shares. The announcement will also set out the number of Tendered shares (if any) placed in the market, the number of Tendered Shares repurchased by the Company and the extent of any Pro Rata Scaling Back due to the aggregated Tender Requests exceeding the Quarterly Restriction and/or the Annual Restriction, as applicable.

6.2 Delivery of cash to Shareholders for the Shares to be purchased pursuant to a Quarterly Tender will be made by the Receiving Agent. The Receiving Agent will act as agent for tendering Shareholders for the purpose of receiving the cash and transmitting such cash to tendering Shareholders. Under no circumstances will interest be paid on the cash to be paid by the Company or the Receiving Agent regardless of any delay in making such payment.

6.3 If any tendered Shares are not purchased because of an invalid tender, the termination of a Quarterly Tender or otherwise, relevant share certificate(s) and/or other document(s) of title, if any, will be returned or sent as promptly as practicable, without expense to, but at the risk of, the relevant tendering Shareholder, or in the case of Shares held in uncertificated form (that is, in CREST), the Receiving Agent will provide instructions to Euroclear to transfer all Shares held in escrow balances by a TFE Instruction to the original available balances to which those Shares relate.

6.4 For each Quarterly Tender, settlement of the consideration to which any Shareholder is entitled pursuant to valid Tender Requests accepted by the Company is expected to be made at the Tender Settlement Date specified for that Quarterly Tender in the relevant Annual Circular as follows:

6.4.1 Shares held in certificated form (that is, not in CREST)

Where an accepted Tender Request relates to Shares held in certificated form, cheques for the consideration due will be despatched by the Receiving Agent by first class post to the person or agent whose name and address is set out in Box 1 (or, if relevant, Box 3) of the Tender Form or, if none is set out, to the registered address of the tendering Shareholder shown in Box 2 of the Tender Form or, in the case of joint holders, the address of the Shareholder first named in the Register. All cash payments will be made in the currency to which the tendered Shares correspond by cheque drawn on a branch of a UK clearing bank.

6.4.2 Shares held in uncertificated form (that is, in CREST)

Where an accepted Tender Request relates to Shares held in uncertificated form, the consideration due will be paid by means of CREST by the Company procuring the creation of a CREST payment in favour of the tendering Shareholder's payment bank in accordance with the CREST payment arrangements.

6.4.3 Timing of settlement

The payment of any consideration to Shareholders for Tender Purchases will be made only after the relevant TTE Instruction has settled or (as the case may be) timely receipt by the Receiving Agent of share certificate(s) and/or other requisite document(s) of title evidencing such Shares and any other documents required for a Quarterly Tender.

6.5 If only part of a Shareholding is sold in a Quarterly Tender or if, because of any Pro Rata Scaling Back, any Shares tendered are not purchased during a Quarterly Tender, then:

6.5.1 where the Shares are held in certificated form, the relevant Shareholder will be entitled to receive a balance share certificate in respect of the remaining Shares; or

6.5.2 where the Shares are held in uncertificated form (that is, in CREST) the unsold Shares will be transferred by the Receiving Agent by means of a TFE Instruction to the original available balance from which those Shares came.

7. Tender Form and TTE Instruction

Each Shareholder by whom, or on whose behalf, a Tender Form and/or TTE Instruction (as applicable) is executed or input, irrevocably undertakes, represents, warrants and agrees to and with the Company (so as to bind himself, and his respective personal representatives, heirs, successors and assigns) that:

7.1 the execution of the Tender Form or the input of a TTE Instruction shall constitute an offer to sell to the Company such Shareholder's Basic Entitlement or, if relevant, the number of Shares inserted in Box 1B of the Tender Form or submitted in the TTE Instruction (as applicable), on and subject to the Tender Terms and Conditions and, once a Tender Form and/or TTE Instruction is submitted, such offer shall be irrevocable;

7.2 such Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by the Company, the Company will acquire such Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the relevant Tender Settlement Date, including the right to receive all dividends and other distributions declared, paid or made after that date;

7.3 the execution of the Tender Form or the input of a TTE Instruction will, subject to the Quarterly Tender becoming unconditional, constitute the irrevocable appointment of any Director or officer of the Company as such Shareholder's attorney and/or agent, and an irrevocable instruction to the attorney to complete and execute all or any instruments of transfer and/or other documents at the attorney's discretion in relation to the Shares referred to in paragraph 7.1 in this Part 13 of this Prospectus in favour of the Company or such other person or persons as the Company may direct and to deliver such instrument(s) of transfer and/or other documents at the discretion of the attorney, together with the share certificate(s) and/or other document(s) of title relating to such Shares, for registration within six months of the Quarterly Tender becoming unconditional and to do all such other acts and things as may

in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the Quarterly Tender and to vest such Shares in the Company or its nominee(s) or such other person(s) as the Company may direct;

- 7.4 such Shareholder will ratify and confirm each and every act or thing which may be done or effected by the Company or any of its Directors or any person nominated by the Company in the proper exercise of its or their powers and/or authorities hereunder;
- 7.5 if such Shareholder holds Shares in certificated form, he will deliver to the Receiving Agent his share certificate(s) and/or other document(s) of title in respect of the Shares referred to in paragraph 7.1 in this Part 13 of this Prospectus, or an indemnity acceptable to the Receiving Agent in lieu thereof, or will procure the delivery of such certificate(s) and/or other document(s) to such person as soon as possible thereafter and, in any event, by no later than the relevant Tender Submission Deadline;
- 7.6 such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by the Company to be desirable, in each case to complete the purchase of the successfully tendered Shares and/or to perfect any of the authorities expressed to be given hereunder;
- 7.7 such Shareholder, if an Overseas Shareholder, has fully observed any applicable legal requirements and that the invitation under a Quarterly Tender may be made to and accepted by him under the laws of the relevant jurisdiction;
- 7.8 such Shareholder has not received or sent copies or originals of an Annual Circular or the Tender Form or any related documents to a Restricted Territory and has not otherwise utilised in connection with a Quarterly Tender, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of any Restricted Territory, that the Tender Form has not been mailed or otherwise sent in, into or from any Restricted Territory and that such Shareholder is not accepting a Quarterly Tender from any Restricted Territory;
- 7.9 in the case of Shares held in certificated form, the provisions of the Tender Form shall be deemed to be incorporated into the Tender Terms and Conditions;
- 7.10 in the case of Shares held in certificated form, the despatch of cheques in respect of the Tender Price to such Shareholder at their registered address or such other relevant address as may be specified in the Tender Form will constitute a complete discharge by the Company of its obligations to make such payments to such Shareholder;
- 7.11 in the case of Shares held in uncertificated form (that is, in CREST), the creation of a CREST payment in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in the section entitled "Announcement of the Tender Price and Settlement" in this Part 13 of this Prospectus will, to the extent of the obligations so created, discharge fully any obligation of the Company to pay to such Shareholders the cash consideration to which they are entitled in a Quarterly Tender;
- 7.12 on execution, the Tender Form takes effect as a deed; and
- 7.13 the execution of the Tender Form or the input of a TTE Instruction constitutes such Shareholder's submission to the jurisdiction of the courts of England and Wales in relation to all matters arising out of or in connection with a Quarterly Tender.

A reference in this paragraph 7 of this Part 13 of this Prospectus to a Shareholder includes a reference to the person or persons executing the Tender Form or submitting a TTE Instruction and in the event of more than one person executing a Tender Form or submitting a TTE Instruction, the provisions of this paragraph 7 of this Part 13 of this Prospectus will apply to them jointly and to each of them.

8. Additional Provisions

- 8.1 When a Quarterly Tender takes place, Shareholders (other than a Restricted Shareholder) will be entitled, subject to the conditions and the Tender Restrictions, to have accepted valid tenders to the Company up to their Basic Entitlement. In addition, Shareholders may tender Shares in excess of their Basic Entitlement where other Shareholders tender less than their Basic Entitlement and subject to the Pro Rata Scaling Back of Tender Requests, as set out in paragraph 4.1 in this Part 13 of this Prospectus. If in the Receiving Agent's determination (in

its absolute discretion) Box 1 of any Tender Form has not been validly completed in respect of the number of Shares to be tendered, provided that that Tender Form is otherwise in order and accompanied by all other relevant documents, the relevant Shareholders may be deemed to have tendered such numbers of Shares as are equal to their respective Basic Entitlements.

- 8.2 Shares sold by Shareholders pursuant to a Quarterly Tender will be acquired with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Tender Settlement Date, including the right to receive all dividends and other distributions declared, paid or made after that date.
- 8.3 Shareholders who tender or procure the tender of Shares will thereby be deemed to have agreed that, in consideration of the Company agreeing to process their Tender Request, such Shareholders will not revoke their tender or withdraw their Shares. Shareholders should note that once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.
- 8.4 Any omission to despatch an Annual Circular or the Tender Form or any notice required to be despatched under the terms of a Quarterly Tender to, or any failure to receive the same by, any person entitled to participate in a Quarterly Tender shall not invalidate a Quarterly Tender in any way or create any implication that a Quarterly Tender has not been made to any such person.
- 8.5 No acknowledgement of receipt of any Tender Form, TTE Instruction, share certificate(s) and/or other document(s) of title will be given. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Shareholders (or their designated agents) will be delivered by or sent to or from such Shareholders at their own risk.
- 8.6 All powers of attorney and authorities on the terms conferred by or referred to in this Part 13 of this Prospectus or in the Tender Form are given by way of security for the performance of the obligations of the Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.
- 8.7 Subject to paragraphs 10 and 11 of this Part 13 of this Prospectus, all Tender Requests in relation to certificated Shareholders must be made on the relevant prescribed Tender Form, fully completed in accordance with the instructions set out thereon which constitute part of the Tender Terms and Conditions of a Quarterly Tender and, for uncertificated holders, a TTE Instruction must be submitted in accordance with the instructions provided in paragraph 5.2 of this Part 13 of this Prospectus. A Tender Form or TTE Instruction will only be valid when the procedures contained in the Tender Terms and Conditions and in the Tender Form or TTE Instruction, as applicable, are complied with. Each Quarterly Tender and any non-contractual obligations arising out of or in connection with a Quarterly Tender will be governed by and construed in accordance with the laws of England and Wales.
- 8.8 If a Quarterly Tender is terminated in accordance with the Tender Terms and Conditions, all documents lodged pursuant to a Quarterly Tender will be returned promptly by post, within 14 Business Days of a Quarterly Tender terminating, to the person or agent whose name and address is set out in Box 1 (or, if relevant, Box 3) of the Tender Form or, if none is set out, to the registered address of the tendering Shareholder shown in Box 2 of the Tender Form or, in the case of joint holders, the address of the Shareholder first named in the Register. In the case of Shares held in uncertificated form, the Receiving Agent in its capacity as the escrow agent will, within 14 Business Days of a Quarterly Tender terminating, give instructions to Euroclear to transfer all Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of a Quarterly Tender by TFE Instruction to the original available balances from which those Shares came. In any of these circumstances, Tender Forms and TTE Instructions will cease to have any effect.
- 8.9 In the case of shares held in certificated form, the instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Tender Form shall constitute part of the Tender Terms and Conditions. The definitions set out in an Annual Circular apply to all Tender Terms and Conditions of Quarterly Tenders during the year to which that Annual Circular relates, including the Tender Form.
- 8.10 Subject to the sections entitled "Miscellaneous" and "Restricted Shareholders and Overseas Shareholders" in this Part 13 of this Prospectus, a Quarterly Tender is open to those Shareholders whose name appeared on the register on the relevant Quarter Record Date. A

Quarterly Tender will close at the time and date specified in the Annual Circular relating to that Quarterly Tender. Subject to paragraphs 5.1.2 and 10.4 in this Part 13 of this Prospectus, no Tender Form, share certificate(s) and/or other document(s) of title or indemnity or TTE Instruction received after the relevant Tender Submission Deadline will be accepted.

- 8.11 Further copies of Annual Circulars and copies of the Tender Forms may be obtained on request from the Receiving Agent at the address set out in the Tender Form and on the Company's Website.

9. Termination of a Quarterly Tender

- 9.1 A Quarterly Tender will terminate if, at any time prior to effecting the purchase of the successfully tendered Shares the Company suspends the calculation of its NAV for any reason.
- 9.2 If the Quarterly Tender terminates in accordance with this paragraph 9 of this Part 13 of this Prospectus, the Company shall by an RIS announcement withdraw a Quarterly Tender and, in such event, a Quarterly Tender shall cease and determine absolutely.

10. Miscellaneous

- 10.1 Any change to the terms, or any extension or termination of a Quarterly Tender will be followed as promptly as practicable by an RIS announcement thereof, to be issued by no later than 3.00 p.m. on the Business Day following the date of such change. In such cases, the definitions, times and dates mentioned in relation to a Quarterly Tender in the relevant Annual Circular shall be deemed to be adjusted accordingly. References to the making of an announcement by the Company include the release of an announcement on behalf of the Company by the Registrar to the press and the delivery of, or telephone or facsimile or other electronic transmission of, such announcement to an RIS of the London Stock Exchange.
- 10.2 Shares purchased pursuant to a Quarterly Tender will, following the completion of such Tender Purchase, be acquired by the Company and immediately cancelled.
- 10.3 The expenses of a Quarterly Tender (including stamp duty, and Portfolio realisation costs) together with any applicable taxes will be borne by the tendering Shareholders.
- 10.4 The Company reserves the absolute right to inspect (either itself or through its agents) all Tender Forms and TTE Instructions and may consider void and reject any Tender Request that does not in the Company's sole judgement (acting reasonably) meet the requirements of the Quarterly Tender to which such Tender Form or TTE Instruction relates. The Company also reserves the absolute right to waive any defect or irregularity in the tender of any Shares, including any Tender Form (in whole or in part) which is not entirely in order, the related share certificate(s) and/or other document(s) of title or an indemnity acceptable to the Company in lieu thereof. However, in that event, the consideration in a Quarterly Tender for successfully tendered Shares held in certificated form will only be despatched when the relevant Tender Form is entirely in order and the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to the Company has/have been received. The Company, the Receiving Agent or any other person will not be under any duty to give notification of any defects or irregularities in Tender Requests or incur any liability for failure to give any such notification.
- 10.5 The provisions of the Contracts (Rights of Third Parties) Act 1999 do not apply to Quarterly Tenders.

11. Restricted Shareholders and Overseas Shareholders

- 11.1 The provisions of this paragraph 11 of this Part 13 of this Prospectus and any other terms of a Quarterly Tender relating to Restricted Shareholders and Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company but only if the Company is satisfied that such a waiver, variance or modification will not constitute or give rise to a breach of applicable securities or other laws.
- 11.2 Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Overseas Shareholder wishing to tender Shares to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection herewith, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such

Overseas Shareholders will be responsible for the payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and the Company and any person acting on its behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify Quarterly Tenders or to authorise the extending of Quarterly Tenders or the distribution of Annual Circulars and Tender Forms in any territory outside the United Kingdom.

- 11.3 Quarterly Tenders will not be made to Restricted Shareholders. Restricted Shareholders will be excluded from the Quarterly Tenders in order to avoid breaching applicable local laws relating to the implementation of a Quarterly Tender. Accordingly, copies of Annual Circulars, Tender Forms and any related documents will not be and must not be mailed or otherwise distributed into a Restricted Territory, including to any Shareholder with a registered addresses in any Restricted Territory, or to persons who the Company knows to be custodians, nominees or trustees holding Shares for persons in Restricted Territories. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute or send them in or into a Restricted Territory or use such mails or any such means, instrumentality or facility in connection with a Quarterly Tender, as doing so will render invalid any related purported acceptance of a Quarterly Tender. Persons wishing to accept a Quarterly Tender should not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of that Quarterly Tender. Envelopes containing Tender Forms should not be postmarked from a Restricted Territory or otherwise despatched to a Restricted Territory and accepting Shareholders must not provide Restricted Territory addresses for the remittance of cash or return of Tender Forms.
- 11.4 A Shareholder will be deemed not to have made a valid Tender Request if:
- 11.4.1 such Shareholder is unable to make the representations and warranties set out in paragraph 7.7 (if relevant) and 7.8 in this Part 13 of this Prospectus;
 - 11.4.2 such Shareholder inserts in Box 1 (or, if relevant, Box 3) of the Tender Form the name and address of a person or agent in a Restricted Territory to whom they wish the consideration to which such Shareholder is entitled in a Quarterly Tender to be sent; or
 - 11.4.3 the Tender Form received from them is in an envelope postmarked in, or which otherwise appears to the Company or its agents to have been sent from, a Restricted Territory. The Company reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the representations and warranties referred to in paragraph 7.7 (if relevant) and 7.8 in this Part 13 of this Prospectus given by any Shareholder are correct and, if such investigation is undertaken and as a result the Company determines (for any reason) that such representations and warranties are not correct, such acceptance shall not be valid.
- 11.5 If, in connection with a Quarterly Tender, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards an Annual Circular, the Tender Form or any related documents in or into a Restricted Territory or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, internet and telephone) of interstate or foreign commerce of, or any facility of a national securities exchange in, a Restricted Territory in connection with such forwarding, such person should:
- 11.5.1 inform the recipient of such fact;
 - 11.5.2 explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
 - 11.5.3 draw the attention of the recipient to this paragraph 11 of this Part 13 of this Prospectus.
- 11.6 If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.
- 11.7 The provisions of this paragraph 11 supersede any of the Tender Terms and Conditions inconsistent herewith.

12. Modifications

The Tender Terms and Conditions shall have effect subject to such non material modifications or additions as the Company may from time to time approve in writing. The relevant Tender Submission Deadlines referred to in an Annual Circular in respect of a Quarterly Tender may be amended by the Company. Details of any such changes will appear on the Company's Website.

DIRECTORS, PORTFOLIO MANAGER, AIFM, PRINCIPAL BANKER, ADMINISTRATOR AND ADVISERS

Directors

Claire Whittet (Chairman)
Christopher Legge
Thomas Emch

All of PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL

Registered Office of the Company

PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL

Website of the Company

www.selectmonthlyincomefund.com

Portfolio Manager

TwentyFour Asset Management LLP
24 Cornhill
London EC3V 3ND
Telephone: +44 20 7015 8900
Website: www.twentyfouram.com

Authorised and Regulated by the Financial Conduct Authority under the Financial Services and Markets Act 2000

Alternative Investment Fund Manager

Phoenix Fund Services (UK) Limited
Springfield Lodge
Colchester Road
Chelmsford CM2 5PW
Telephone: +44 1245 398950
Website: www.phoenixfundservices.com

Authorised and Regulated by the Financial Conduct Authority under the Financial Services and Markets Act 2000

Principal Banker

Northern Trust (Guernsey) Limited
PO Box 71
Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3DA
Website: www.northerntrust.com

Regulated by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended

Administrator and Company Secretary

Northern Trust International Fund Administration Services (Guernsey) Limited
PO Box 255
Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3QL
Website: www.northerntrust.com

Regulated by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended

Sponsor, Broker and Financial Adviser

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT
Authorised and Regulated by the Financial Conduct Authority under the Financial Services and Markets Act 2000

UK Legal Advisers to the Company

Eversheds LLP
One Wood Street
London EC2V 7WS

Guernsey Legal Advisers to the Company

Carey Olsen
Carey House
Les Banques
St Peter Port
Guernsey GY1 4BZ

Legal Advisers to Numis

Norton Rose Fulbright LLP
3 More London
Riverside
London SE1 2AQ

Auditor and Reporting Accountants

PricewaterhouseCoopers CI LLP
PO Box 321
Royal Bank Place
1 Glatigny Esplanade
St Peter Port
Guernsey GY1 4ND

Registrars

Computershare Investor Services (Guernsey) Limited
3rd Floor
Natwest House
Le Truchot
St Peter Port
Guernsey GY1 1WD

Receiving Agent

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE

Custodian and Depositary

Northern Trust (Guernsey) Limited
PO Box 71
Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3DA
Authorised and Regulated by the Guernsey Financial Services Commission under the Banking Supervision (Bailiwick of Guernsey) Law, 1994 and under the Protection of Investors (Bailiwick of Guernsey) Law 1987

APPENDIX 1

APPLICATION FORM

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

Before completing the Application Form, ALL APPLICANTS should read notes 1-5, 7, 8 and 9 of this Application Form. JOINT APPLICANTS should also read note 6 of this Application Form.

1. Application

Fill in (in figures) in the box in section 1 of the Application Form the number of Ordinary Shares that you wish to apply for under the Offer for Subscription. Your application must be for a minimum of 1,000 Ordinary Shares and thereafter in multiples of 100 Ordinary Shares.

2. Personal Details

Fill in (in BLOCK CAPITALS) the full name and address of the applicant. If your application is being made jointly with other persons, please read note 6 of this Application Form before completing section 2 of the Application Form.

3. Signature

The applicant named in section 2 of the Application Form must date and sign section 3 of the Application Form.

The Application Form may be signed by another person on your behalf if that person is duly authorised to do so under a power of attorney. The original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) must be enclosed for inspection. A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated.

4. How to Pay

The aggregate value of your application is the number inserted in the box in section 1 of the Application Form, expressed in pounds Sterling. Payment must be made by cheque or banker's draft or by electronic interbank transfer (CHAPS). Payment by cheque or banker's draft must be in pounds Sterling drawn on a branch in the United Kingdom of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account on the individual investor where they have sole or joint title to the funds (the account name should be the same as that shown on the Application Form), must be made payable to "CIS PLC re- TwentyFour Select Monthly Income Fund Limited IPO" and crossed "A/C Payee". Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect.

Payment by CHAPS must be accompanied by a personalised payment reference number which may be obtained by contacting Computershare Investor Services PLC directly on 0870 707 4040. Payment by CHAPS must come from a personal account in the name of the individual investor where they have sole or joint title to the funds (the account name should be the same as that shown on section 2 of the Application Form).

Completed Application Forms accompanied by a cheque or banker's draft for the full amount due or indicating that CHAPS payment for the full amount has been made, must be posted to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH, or (during normal business hours only) delivered by hand to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, in each case so as to be received as soon as possible and, in any event, by no later than 11.00 a.m. on 4 March 2014.

If you use a building society cheque or banker's draft you should ensure that the building society or bank issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque or banker's draft and adds its stamp. Your

cheque or banker's draft must be drawn in Sterling on an account at a bank branch in the United Kingdom, the Channel Islands or the Isle of Man and must bear a United Kingdom bank sort code number.

Your payment must relate solely to your Application Form. No receipt will be issued.

5. CREST

If you wish to register your Ordinary Shares directly into your CREST account you should insert the relevant details in section 5 of the Application Form. If you do not complete section 5, you will receive your Ordinary Shares in certificated form.

6. Joint Applicants

If you do wish to apply jointly, you may do so with up to three other persons. Sections 2 and 3 of the Application Form must be completed by one applicant. All other persons who wish to join in the application must complete and sign section 6 of the Application Form.

Another person may sign on behalf of any joint applicant if that other person is duly authorised to do so under a power of attorney. The original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) must be enclosed for inspection. Certificates, cheques and other correspondence will be sent to the address in section 2 of the Application Form.

7. Contact Telephone Number

Insert in section 7 of the Application Form a daytime contact telephone number, including STD, (and, only if different from the person named in section 2 of the Application Form, the name of the person to contact) in case of any queries regarding your application.

8. Verification of Identity

Section 8 of the Application Form only applies if the aggregate value of the Ordinary Shares which you are applying for, whether in one or more applications, exceeds £10,000. If section 8 applies to your application, you must ensure that section 8.1, 8.2 or 8.3 (as appropriate) is completed.

8.1 Professional Adviser or Intermediary

You should complete section 8.1 of the Application Form if you are a stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 or, if outside the United Kingdom, another appropriately authorised independent financial adviser acting on behalf of a client.

8.2 Reliable Introducer

If you are not a professional adviser or intermediary and the value of your application(s) exceed(s) £10,000, you will be required to provide the verification of identity documents listed in section 8.3 of the Application Form unless you can have the declaration set out in section 8.2 of the Application Form given and signed by a firm acceptable to the Receiving Agent and the Company. Section 8.2 of the Application Form details those firms acceptable to the Receiving Agent and the Company for signing the declaration. In order to ensure their Application Forms are processed timely and efficiently, all applicants who are not professional advisers or intermediaries and to whose applications section 8 of the Application Form applies are strongly advised to have the declaration set out in section 8.2 of the Application Form completed and signed by a suitable firm where possible.

8.3 Applicant Identity Information

Section 8.3 of the Application Form need only be completed where the aggregate value of the Ordinary Shares which you are applying for, whether in one or more applications, exceeds £10,000 and neither sections 8.1 nor 8.2 of the Application Form can be completed.

Notwithstanding that the declaration set out in section 8.2 of the Application Form has been completed and signed, the Receiving Agent, Numis and the Company reserve the right to request of you the identity documents listed in section 8.3 of the Application Form and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time, your application might be rejected or revoked.

Where certified copies of documents are requested in section 8.3 of the Application Form, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

9. Instructions for Delivery of Completed Application Forms

Completed Application Forms should be returned, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH, or (during normal business hours only) by hand to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, so as to be received as soon as possible and, in any event, by no later than 11:00 a.m. on 4 March 2014. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after 11:00 a.m. on 4 March 2014 may be rejected and returned to the first-named applicant.

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APPLICATION FORM FOR THE OFFER FOR SUBSCRIPTION

Please return this form, duly completed, by post to Computershare, Corporate Actions Projects, Bristol BS99 6AH, or (during normal business hours only) by hand to Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS13 8AE, so as to be received by no later than 11.00 a.m. on 4 March 2014).

IMPORTANT: Before completing this form, you should read the notes set out on pages 113 to 115 of this Prospectus. All applicants must complete sections 1 to 4 of this Application Form. Joint applicants should also complete section 6 of this Application Form. If your application is for more than £10,000, section 8.1, 8.2 or 8.3 (as appropriate) must also be completed.

If you have a query concerning completion of this Application Form, please call Computershare Investor Services PLC on 0870 707 4040 (or, if outside the UK, +44 (0) 870 707 4040). However, you should note that the Receiving Agent cannot give you any investment, legal, tax or other financial advice. If you require such advice, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 or, if you are outside the United Kingdom, another appropriately authorised independent financial adviser.

To: TwentyFour Select Monthly Income Fund Limited

1. Application

I/We, the person(s) detailed in section(s) 2 and, in the case of joint applicants, 6 below, offer to subscribe for the number of Ordinary Shares specified in the box below at 100p per Share subject to the terms and conditions of application set out in Part 12 of the prospectus dated 18 February 2014 published by the Company (the "Prospectus") and subject to the Memorandum and Articles of Incorporation of the Company.

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(Write, in figures, the number of Ordinary Shares that you wish to apply for – a minimum of 1,000 and thereafter in multiples of 100)

2. Personal Details (Complete in BLOCK CAPITALS)

<i>(Mr, Mrs, Miss, Ms or title)</i>	<i>(Surname)</i>
<i>(Forename(s), in full)</i>	
<i>(Address, in full)</i>	
<i>(Post code)</i>	

3. Signature

<i>(Signature)</i>	<i>(Date)</i> 2014
--------------------	--------------------

4. Form of Payment

4.1 **Cheque or Banker's Draft**

- If you are paying by cheque or banker's draft, please check the box beside this paragraph 4.1 and pin your cheque or banker's draft here. Your cheque or banker's draft must be for the amount in pounds Sterling equal to the number shown in the box in section 1 above, made payable to "CIS PLC re – TwentyFour Select Monthly Income Fund Limited IPO" and crossed "A/C Payee". Your payment must relate solely to this application. No receipt will be issued. The right is reserved to reject any Application Form in respect of which the applicant's cheque or banker's draft has not been cleared on first presentation).*



4.2 Electronic Interbank Transfer (CHAPS)

(If you are paying by electronic interbank transfer please check the box beside this paragraph 4.2.)

4.3 Payor, if not applicant

(Contact name)	(Telephone number)
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5. CREST Details (Only complete this section 5 if you wish to register the Ordinary Shares issued pursuant to your application directly into your CREST account)

(CREST Participant ID)	(CREST Member Account ID)
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6. Joint Applicants (Where the application is being made jointly by more than one person, the proposed first-named holder should complete sections 2 and 3 above, and all other applicants (subject to a maximum of three) must complete in BLOCK CAPITALS and sign this section 6)

(Mr, Mrs, Miss, Ms or title)	(Mr, Mrs, Miss, Ms or title)	(Mr, Mrs, Miss, Ms or title)
(Surname)	(Surname)	(Surname)
(Forename(s), in full)	(Forename(s), in full)	(Forename(s), in full)
(Address)	(Address)	(Address)
(Post code)	(Post code)	(Post code)
(Signature)	(Signature)	(Signature)

7. Contact Telephone Number

(Telephone number)
(Contact name)

(Insert a daytime contact telephone number (and, only if different from the person named in section 2 above, the name of the person to contact in case of any queries regarding your application))

8. Verification of Identity (If the value of the Ordinary Shares which you are applying for, whether in one or more applications, exceeds £10,000), you must ensure that section 8.1, 8.2 or 8.3 (as appropriate) is completed)

8.1 Professional Advisers and Intermediaries (This section 8.1 should be completed if an application for Ordinary Shares is being made on behalf of a client by a stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 or, if outside the United Kingdom, another appropriately authorised independent financial adviser)

(Name of professional adviser or intermediary, in full)	
(Address, in full)	
	(Post code)
(Contact name)	(Telephone number)

Declaration by the professional adviser or intermediary

To: TwentyFour Select Monthly Income Fund Limited, Computershare Investor Services PLC and Numis Securities Limited

We are a financial adviser authorised under the Financial Services and Markets Act 2000 applying for Ordinary Shares on behalf of one or more clients (“**relevant clients**”). As such, we hereby undertake to:

- 8.1.1 complete anti-money laundering verification of all relevant clients and to inform you of any unsatisfactory conclusion in respect of any such client;
- 8.1.2 to keep records to verify the name, identity, place of birth, residential address, occupation and signature of each relevant client; and
- 8.1.3 to supply copies of any such records to you as you may require.

We are governed in the conduct of our investment business and in respect of conducting anti-money laundering verification by the following regulatory or professional body (and our reference or other official number allocated to us by that body is included in the box below).

<i>(Full name and country of operation of regulatory or professional body)</i>	
	<i>(Reference or other official number)</i>

If you require further information about our procedures or any of our relevant clients, please contact the person named as the contact in the first box in this section 8.1.

<i>(Date)</i> 2014	<i>(Official stamp, if any)</i>
<i>(Signature)</i>	
<i>(Full name)</i>	
<i>(Title/position)</i>	

8.2 Reliable Introducer *(If you are not a professional adviser or intermediary to whom section 8.1 applies, completion and signing of declaration in this section 8.2 by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 8.3 of this Application Form)*

(The declaration below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the “firm”) which is itself subject in its own country to the operation of “know your customer” and anti-money laundering regulations no less stringent than those which prevail in Guernsey. Acceptable countries include Austria, Australia, Belgium, Bulgaria, Canada, Cayman Islands, Cyprus, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Hong Kong, Iceland, Isle of Man, Italy, Japan, Jersey, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Portugal, Republic of South Africa, Republic of Ireland, Singapore, Spain, Sweden, Switzerland and the United Kingdom.)

Declaration by the firm

To: TwentyFour Select Monthly Income Fund Limited, Computershare Investor Services PLC and Numis Securities Limited

With reference to the applicant(s) detailed in section(s) 2 and, in the case of joint applicants, 6 above, all persons signing sections 3 and 6 above and the payor identified in section 4 above if not also an applicant holder (collectively the “**relevant persons**”), we hereby declare that:

- 8.2.1 we operate in one of the above-mentioned countries and our firm is subject to money laundering regulations under the laws of that country which, to the best of our knowledge, are no less stringent than those which prevail in Guernsey;



- 8.2.2 we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
- 8.2.3 each of the relevant persons is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
- 8.2.4 we confirm the accuracy of the names and residential/business address(es) of the applicant(s) named in sections 2 and, in the case of joint applicants, 6 above and, if details of a CREST account are included in section 5 above, that the owner thereof is the applicant named in section 2 above;
- 8.2.5 having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Ordinary Shares to which this application relates; and
- 8.2.6 where the payor and applicant(s) are different persons we are satisfied as to the relationship between them and the reason for the payor being different to the applicant(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of the firm or its officials.

<i>(Date)</i>	2014	<i>(Official stamp, if any)</i>
<i>(Signature)</i>		
<i>(Full name)</i>		
<i>(Title/position)</i>		

having authority to bind the firm, the details of which are set out below:

<i>(Name of firm, in full)</i>	
<i>(Address, in full)</i>	
	<i>(Post code)</i>
<i>(Contact name)</i>	<i>(Telephone number)</i>

<i>(Full name of firm's regulatory authority)</i>	
<i>(Website address or telephone number of regulatory authority)</i>	<i>(Firm's registered, licence or other official number)</i>

8.3 **Applicant Identity Information** *(Only complete this section 8.3 if your application has a value greater than £10,000 and neither section 8.1 nor 8.2 can be completed).*

In accordance with internationally recognised standards for the prevention of money laundering, the relevant documents and information listed below must be provided (please note that the Receiving Agent, Numis and the Company reserve the right to ask for additional documents and information).

	Tick here for documents provided				
	Applicant				Payor
	1	2	3	4	
A. For each applicant who is an individual enclose:					
(i) a certified clear photocopy of one of the following identification documents which bears both a photograph and the signature of the person: (a) current passport; (b) Government or Armed Forces identity card; or (c) driving licence; and					
(ii) certified copies of at least two of the following documents which purport to confirm that the address(es) given in section 2 and, in the case of joint applicants, section 6 is the applicant's residential address: (a) a recent gas, electricity, water or telephone (not mobile) bill; (b) a recent bank statement; (c) a council tax bill; or (d) similar bill issued by a recognised authority; and					
(iii) if none of the above documents show their date and place of birth, enclose a note of such information; and					
(iv) details of the name and address of their personal bankers from which the Receiving Agent or the Company may request a reference, if necessary.					
B. For each holder being a company (a "holder company") enclose:					
(i) a certified copy of the certificate of incorporation of the holder company; and					
(ii) the name and address of the holder company's principal bankers from which the Receiving Agent or the Company may request a reference, if necessary; and					
(iii) a statement as to the nature of the holder company's business, signed by a director; and					
(iv) a list of the names and residential addresses of each director of the holder company; and					
(v) for each director provide documents and information similar to that mentioned in A above; and					
(vi) a copy of the authorised signatory list for the holder company; and					
(vii) a list of the names and residential/registered addresses of each ultimate beneficial owner interested in more than 5% of the issued share capital of the holder company and, where a person is named, also enclose the documents and information referred to in C below and, if another company is named (a "beneficiary company"), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.					
C. For each individual named in B(vii) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in A(i) to (iv)					
D. For each beneficiary company named in B(vii) as a beneficial owner of a holder company enclose:					
(i) a certificated copy of the certificate of incorporation of that beneficiary company; and					
(ii) a statement as to the nature of that beneficiary company's business signed by a director; and					
(iii) the name and address of the beneficiary company's principal bankers from which the Receiving Agent or the Company may request a reference, if necessary; and					
(iv) enclose a list of the names and residential/registered address of each beneficial owner owning more than 5% of the issued share capital of that beneficiary company.					
E. If the payor is not an applicant and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 4 on how to complete this form) enclose:					
(i) if the payor is a person, for that person the documents mentioned in A(i) to (iv); or					
(ii) if the payor is a company, for that person the documents mentioned in B(i) to (vii); and					
(iii) an explanation of the relationship between the payor and the applicant(s).					



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APPENDIX 2

NOTICE OF QUARTERLY TENDERS

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Notice or the action you should take you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000. This Notice appears on the Company's Website and this Notice and the Tender Form may be downloaded for use by Shareholders (other than Restricted Shareholders).

This Notice forms part of the prospectus relating to the Placing and Offer for Subscription of Ordinary Shares in the capital of the Company and Placing Programme dated 18 February 2014 (the "Prospectus"). The Notice should be read in conjunction with the Prospectus. Unless otherwise defined in Section F of this Notice, the definitions used in the Prospectus apply in this Notice.

If you have sold or otherwise transferred all of your Shares in TwentyFour Select Monthly Income Fund Limited (the "Company"), you should pass this Notice and the Tender Form, as soon as possible, to the purchaser or transferee or to the person through whom the sale or transfer was affected for transmission to the purchaser or transferee. This Notice or any of the accompanying documents (including the Tender Form) should not, however, be forwarded or transmitted in or into or from any Restricted Territories. The respective Quarter Record Dates for participation in each of the Quarterly Tenders are set out in Section A of this Notice and Shareholders who acquire Shares following the relevant Quarter Record Date shall treat this Notice as being for information purposes only.

Applications by Shareholders to tender Shares under the Quarterly Tenders may only be made on the Tender Form or, in the case of Shares held in uncertificated form (that is, in CREST), by giving a TTE Instruction

TWENTYFOUR SELECT MONTHLY INCOME FUND LIMITED

(a non-cellular company limited by shares incorporated in the Island of Guernsey under the Companies (Guernsey) Law 2008, as amended, with registered number 57985 and registered as a Registered Closed-ended Investment Scheme with the Guernsey Financial Services Commission

Quarterly Tenders for an amount up to, in aggregate, 50 per cent. of the issued share capital of the Company immediately following Admission

The Quarterly Tenders will only be available to Shareholders on the Register at the close of business on the relevant Quarter Record Date. The Quarterly Tenders are not open for acceptance by Restricted Shareholders. In particular, the Quarterly Tenders are not being made, directly or indirectly, in or into or by the use of mails by any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or any facility of a national securities exchange, of the United States, nor are they being made, directly or indirectly, in or into Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan and the Quarterly Tenders cannot be accepted by any such use, means, instrumentality or facility from within the United States, Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan.

The Tender Form for use by Shareholders in connection with the relevant Quarterly Tender is attached as Appendix 3 to this Prospectus. The Tender Form should be used by Shareholders that hold their shares in certificated form (i.e. that is, not in CREST). To be effective, Shareholders must return the Tender Form so as to be received by the Receiving Agent, as soon as possible and, in any event, not later than 1.00 p.m. on the relevant Tender Submission Deadline. In the case of Shares held by Shareholders in CREST, applications to tender Shares are to be made by submitting a TTE Instruction as described in paragraph 4.2.1 of Section C of this Notice to the Receiving Agent not later than 1.00 p.m. on the relevant Tender Submission Deadline.

Shareholders who hold their Shares in certificated form should also return their share certificate(s) and/or other document(s) of title in respect of the Shares to be tendered. Shareholders who hold Shares in uncertificated form (that is, in CREST) should arrange for the Shares to be tendered to be transferred into escrow as described in Section C of this Notice.

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SECTION A: EXPECTED TIMETABLE OF EVENTS

	(London time)
September 2014 Tender	
Quarter Record Date for the September 2014 Tender	5.00 p.m. on 30 September 2014
Latest time and date for receipt of the Tender Form and TTE Instructions in CREST from Shareholders	1.00 p.m. on 2 September 2014
Tender NAV Determination Date	30 September 2014
Tender Price and result of the September 2014 Tender announced, excess applications received in CREST released from escrow	30 September 2014
Balancing share certificates despatched	week beginning 20 October 2014
September Tender Settlement Date: cheques despatched and payments through CREST made and CREST accounts settled	14 October 2014
December 2014 Tender	(London time)
Quarter Record Date for the December 2014 Tender	5.00 p.m. on 31 December 2014
Latest time and date for receipt of the tender Form and TTE Instructions in CREST from Shareholders	1.00 p.m. on 3 December 2014
Tender NAV Determination Date	31 December 2014
Tender Price and result of the December 2014 Tender announced, excess applications received in CREST released from escrow	31 December 2014
Balancing share certificates despatched	week beginning 19 January 2015
December Tender Settlement Date: cheques despatched and payments through CREST made and CREST accounts settled	14 January 2015

Notes:

1. References to times above and in this document generally are to London time unless otherwise specified.
2. All times and dates in the expected timetable and in this document may be adjusted by the Company. Any changes to the timetable will be notified via an RIS.

SECTION B: SUMMARY OF THE QUARTERLY TENDERS

1. INTRODUCTION

The Company will make available to Shareholders two quarterly tender offers, which will be referred to hereafter as (i) the September 2014 Tender; and (ii) the December 2014 Tender, each being a “Quarterly Tender” and together being the “Quarterly Tenders”. The Quarterly Tenders will be for an amount of Shares up to, in aggregate, 50 per cent. of the Issued Share capital of the Company as the 2014 Annual Record Date. Shareholders whose names appear on the Register at the close of business on the relevant Quarter Record Date may apply to tender their Shares for purchase by the Company at the Tender Price. Each Quarterly Tender is subject to a limit of 20 per cent. of the Shares in issue as at the relevant Quarter Record Date. In the event of excess applications being received, such excess applications will be satisfied on a *pro rata* basis.

Defined terms are set out in Section F of this Notice and the definitions contained in Part 13 of the Prospectus.

There is no guarantee that any or all Shares tendered will be re-purchased by the Company. The Quarterly Tenders are subject to the Quarterly Restriction and Annual Restriction as set out in Section C of this Notice.

2. QUARTERLY TENDER

Each Quarterly Tender enables those Shareholders, other than Restricted Shareholders, on the Register as at the relevant Quarter Record Date who wish to realise some or all of their Shares to elect to do so (subject to the conditions and limitations of the relevant Quarterly Tender). Shareholders who tender Shares will receive the Tender Price per Share successfully tendered. The Tender Price is calculated as at the Tender NAV Determination Date, and will be calculated as set out below:

Tender Price of Placed Tendered Shares = such price as may be obtainable subject to a minimum of NAV per Share less 2 per cent.

Tender Price of Repurchased Tendered Shares = NAV per Share less 2 per cent.

Under the terms of the Quarterly Tenders, Shareholders, other than Restricted Shareholders, will be entitled to tender up to their Basic Entitlement, being 20 per cent. of the Shares held on the relevant Quarter Record Date. Shareholders may tender in excess of their Basic Entitlement, but Tender Requests exceeding the Basic Entitlement (and not subject to a Pro Rata Scaling Back) will only be satisfied to the extent that other Shareholders do not submit Tender Requests or submit Tender Requests for Shares which represent less than their Basic Entitlement. Any such excess tenders will be satisfied on a *pro rata* basis.

Full details of the Quarterly Tenders can be found in Section C of this Notice.

3. PROCEDURE FOR TENDERING SHARES

Certificated Shareholders

Certificated Shareholders, other than Restricted Shareholders, who wish to tender Shares should complete the Tender Form, which forms Appendix 3 to the Prospectus, in accordance with the instructions set out therein and return the completed Tender Form using their own envelope or delivering by hand (during normal business hours) to the Receiving Agent, Computershare, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS13 8AE, so as to arrive as soon as possible and, in any event, by no later than 1.00 p.m. on the relevant Tender Submission Deadline. Share certificate(s) and/or other document(s) of title in respect of the Shares tendered should be sent with the Tender Form.

Uncertificated Shareholders

Shareholders, other than the Restricted Shareholders, holding Shares in uncertificated form who wish to tender Shares should transmit the appropriate TTE Instruction in CREST as set out in paragraph 4.2.1 of Section C of this Notice so as to be received as soon as possible and, in any event, by no later than 1.00 p.m. on the relevant Tender Submission Deadline.

Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the terms of the Quarterly Tender.

General

Tender Forms or TTE Instructions which are received by the Receiving Agent after 1.00 p.m. on the relevant Tender Submission Deadline for Shareholders or which at that time are incorrectly completed or not accompanied by all relevant certificates, documents or instructions may be rejected and returned to the relevant Shareholders or their appointed agents, together with any accompanying share certificate(s) and/or other document(s) of title.

The Company reserves the right to treat as valid Tender Forms or TTE Instructions which are not entirely in order and which are not accompanied (in the case of Shares held in certificated form) by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof.

Full details of the procedure for tendering Shares are set out in the section entitled "Terms and Conditions of the Quarterly Tenders" in Section C of this Notice and, in the case of Shares held in certificated form, on the Tender Form.

4. RESTRICTED SHAREHOLDERS AND OTHER OVERSEAS SHAREHOLDERS

The Quarterly Tenders are not being made to those Shareholders who are resident in, or citizens of, a Restricted Territory. In particular, the Quarterly Tenders are not being made, directly or indirectly, in or into or by the use of mails by any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or any facility of a national securities exchange, of the United States, nor is it being made, directly or indirectly, in or into the United States, Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan and the Quarterly Tenders cannot be accepted by any such use means, instrumentality or facility from within the United States, Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan.

It is the responsibility of all Overseas Shareholders to satisfy themselves as to the observance of any legal requirements in their jurisdiction including, without limitation, any relevant requirements in relation to the ability of such holders to participate in the Quarterly Tender.

5. DIRECTORS' INTERESTS IN SHARES

As at the date hereof, none of the Directors or any person connected with any of the Directors has a Shareholding or any other interest in the share capital of the Company. The Directors and their connected persons may, however, subscribe for Shares pursuant to the Placing.

6. MAJOR INTERESTS IN SHARES

As at the date hereof, insofar as is known to the Company, no person is directly or indirectly interested in 5 per cent. or more of the Company's issued share capital.

7. SIGNIFICANT CHANGE

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

Dated 18 February 2014

SECTION C: TERMS AND CONDITIONS OF THE QUARTERLY TENDERS

1. QUARTERLY TENDERS

- 1.1 When the Company is conducting a Quarterly Tender, all Shareholders (other than Restricted Shareholders) who held Shares on the relevant Quarter Record Date may tender Shares for purchase by the Company subject to the Tender Terms and Conditions.
- 1.2 Shareholders are not obliged to tender any Shares during a Quarterly Tender.
- 1.3 The Company will calculate the Tender Price for each Quarterly Tender as at the relevant Tender NAV Determination Date. Tender Purchases will be made at the Tender Price. The calculations approved by the Directors will be conclusive and binding on all Shareholders.
- 1.4 The consideration for each Tender Purchase will be paid in accordance with the settlement procedures set out in paragraph 5.4 of this Section C of this Notice.
- 1.5 Subject to the Tender Restrictions, on a Quarterly Tender becoming unconditional and unless such Quarterly Tender has been terminated in accordance with the provisions of paragraph 8 in this Section C of this Notice, the Company will purchase the validly and successfully tendered Shares of Shareholders in accordance with the terms and conditions of the tender set out in this Section C of this Notice (the “**Tender Terms and Conditions**”).
- 1.6 Changes of a technical or administrative nature to the Tender Terms and Conditions may be made at the Directors’ discretion and will be published on the Company’s Website. Shareholders accepting a tender offer will be deemed to have accepted such changes, if any.

2. CONDITIONS AND RESTRICTIONS ON QUARTERLY TENDERS

- 2.1 The operation of the Quarterly Tender is subject to the following restrictions (the “**Tender Restrictions**”).

2.1.1 Quarterly Restriction

On each Quarter Record Date, the Company may repurchase a maximum of 20 per cent. of the Ordinary Shares (excluding treasury shares) as at the relevant Quarter Record Date.

The number of Ordinary Shares tendered for repurchase in excess of the Quarterly Restriction following any placing of such Ordinary Shares in the market as described in paragraph 17.1(i) and (ii) of Part 5 of the Prospectus will be scaled back on a *pro rata* basis (“**Pro Rata Scaling Back**”) and residual Ordinary Shares will be returned to Shareholders.

2.1.2 Annual Restriction

In each 12 month period ending on the relevant Quarter Record Date, no more than 50 per cent. of the Ordinary Shares (excluding treasury shares) as at the Annual Record Date may be repurchased by the Company.

The number of Ordinary Shares tendered for repurchase by the Company in excess of the Annual Restriction following any placing of such Shares in the market as described in paragraph 17.1(i) and (ii) of Part 5 of the Prospectus will be subject to a Pro Rata Scaling Back, residual Ordinary Shares will be returned to Shareholder and, following that quarter’s Tender Purchases, Quarterly Tenders will be suspended until after the next Annual Record Date.

2.1.3 Shareholder Approval

The Quarterly Tender facility and the Company’s authority to operate the Quarterly Tender facility is subject to approval by the Shareholders by passing a Special Resolution at a general meeting on an annual basis, or at an earlier General Meeting if the Directors so resolve. Such approval was granted by the Shareholders in relation to this notice on 17 February 2014.

2.1.4 Board Discretion

Whether or not the Company will make a Quarterly Tender will depend upon the Board's discretion taking into consideration protecting the interests of Shareholders in abnormal markets, whether the Company can satisfy the solvency test under the Law and if the Company may make any such tender under Law, the Listing Rules and the Disclosure and Transparency Rules.

- 2.2 The Company will not purchase any Shares pursuant to a particular Quarterly Tender unless the Tender Restrictions in this paragraph 2 are satisfied.
- 2.3 The conditions and Tender Restrictions may not be waived by the Company, save with the prior approval of Shareholders by a Special Resolution, which may be general or specific in nature.

3. BASIC ENTITLEMENT AND EXCESS TENDERS

- 3.1 In respect of each Quarterly Tender, each Shareholder (other than a Restricted Shareholder) whose name appears on the register at the relevant Quarter Record Date will be entitled to sell to the Company up to their Basic Entitlement, unless such percentage is subject to any Pro Rata Scaling Back to comply with the Annual Restriction.
- 3.2 Shareholders will be entitled to sell more Shares than their Basic Entitlement, but such orders will only be filled by the Company to the extent that other Shareholders tender less than the aggregate of their Basic Entitlements. In these circumstances, excess Tender Requests will be satisfied *pro rata* and in proportion to the amounts of Shares tendered by each relevant Shareholder in excess of their Basic Entitlement (rounded down to the nearest whole number of Shares).

4. PROCEDURE FOR TENDERING SHARES

4.1 Shares held in certificated form (that is, not in CREST)

4.1.1 *Completion of Tender Forms*

If Shares are held in certificated form, separate Tender Forms should be completed for Shares held under different designations. Additional Tender Forms will be available from the Receiving Agent, whose details are set out in paragraph 4.1.2 in this Section C of this Notice.

4.1.2 *Return of Tender Forms*

The completed and signed Tender Form should be sent either by post using your own envelope or delivering by hand (during normal business hours) to the Receiving Agent, so as to arrive by no later than 1.00 p.m. on the relevant Tender Submission Deadline. No Tender Forms received after any of the Tender Submission Deadlines will be accepted. No acknowledgement of receipt of documents will be given. Any Tender Form received in an envelope postmarked from a Restricted Territory or otherwise appearing to the Company or its agents to have been sent from any Restricted Territory may be rejected as an invalid tender. Further provisions relating to Restricted Shareholders are contained in paragraph 10 of this Section C of this Notice.

The completed and signed Tender Form should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with a stockbroker, bank or other agent), the Tender Form should nevertheless be completed, signed and returned as described above so as to be received by the Receiving Agent by no later than the relevant Tender Submission Deadline together with any share certificate(s) and/or other document(s) of title the Shareholder may have available, accompanied by a letter stating that the (remaining) share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter and, in any event, not later than 1.00 p.m. on the relevant Tender Submission Deadline.

The Receiving Agent, acting as each Shareholder's agent, will effect such procedures as are required to transfer the Shareholder's Shares to the Company under the relevant Quarterly Tender.

If share certificate(s) and/or other document(s) of title have been lost, the Shareholder should either call the Receiving Agent on 0870 707 4040 from within the UK or +44 (0)870 707 4040 if calling from outside the UK. Alternatively, the Shareholder should write to the Receiving Agent at Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH for a letter of indemnity in respect of the lost share certificate(s) and/or any other document(s) of title which, when completed in accordance with the instructions given, should be returned to the Receiving Agent at Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH so as to be received by no later than the relevant Tender Submission Deadline.

4.2 Shares held in uncertificated form (that is, in CREST)

4.2.1 Completion of TTE Instruction

If the Shares to be tendered are held in uncertificated form, each Shareholder should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Shares which such Shareholder wishes to tender in respect of a Quarterly Tender to an escrow balance, specifying the Receiving Agent under its participant ID (referred to below) as the escrow agent, as soon as possible and, in any event, so that the transfer to escrow settles not later than 1.00 p.m. on the relevant Tender Submission Deadline.

Shareholders who are CREST sponsored members should refer to their CREST sponsor before taking any action. The CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to the Shares which the Shareholder wishes to tender.

Shareholders should send (or, if a Shareholder is a CREST sponsored member, procure that their CREST sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specification and which must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:

- the ISIN number for the Shares, this is GG00BJVDZ946;
- the number of Shares to be transferred to an escrow balance;
- the Shareholder's member account ID;
- the Shareholder's participant ID;
- the Receiving Agent's participant ID as the escrow agent – 3RA17;
- the Receiving Agent's member account ID of the escrow agent, being 24MIFOTEN in relation to the September 2014 Tender and 24MIFOTE2 in relation to the December 2014 Tender;
- the Corporate Action Number for the Quarterly Tender – this is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and in any event by no later than 1.00 p.m. on the relevant Tender Submission Deadline; and
- input with standard delivery instruction priority of 80.

After settlement of the TTE Instruction, Shareholders will not be able to access the Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by the Receiving Agent as agent of the Shareholder until completion or termination or lapse of the relevant Quarterly Tender. If a Quarterly Tender becomes unconditional, the Receiving Agent will transfer the Shares which are accepted for purchase by the Company to itself as the Shareholder's agent for onward sale to the Company.

Shareholders are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined above.

Shareholders should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. Shareholders should therefore ensure that they (or their CREST sponsor) take all necessary action to enable a TTE Instruction relating to their Shares to settle prior to the relevant Tender Submission Deadline. In connection with this, Shareholders are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

4.2.2 *Deposits of Shares into, and withdrawals of Shares from, CREST*

Normal CREST procedures (including timings) apply in relation to any Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of a Quarterly Tender (whether such conversion arises as a result of a transfer of Shares or otherwise). Shareholders who are proposing to convert any such Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the relevant Quarterly Tender (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfers to an escrow balance as described above) prior to the relevant Tender Submission Deadline.

4.3 **Validity of Tender Forms and TTE Instructions**

4.3.1 Notwithstanding the powers in paragraph 10.4 in this Section C of this Notice, the Company reserves the right to treat as valid only Tender Forms and TTE Instructions which are received entirely in order by the relevant Tender Submission Deadline, which are accompanied (in the case of Shares held in certificated form) by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof.

4.3.2 Notwithstanding the completion of a valid Tender Form or TTE Instruction, a Quarterly Tender may terminate in accordance with these Tender Terms and Conditions.

4.3.3 The decision of the Company as to which Shares have been validly tendered shall be conclusive and binding on Shareholders who participate in a Quarterly Tender.

4.3.4 Shareholders should contact the Receiving Agent if they are in any doubt as to how to complete the Tender Form or submit a TTE Instruction or as to the procedures for tendering Shares. Shareholders who are CREST sponsored members should contact their CREST sponsor before taking any action.

5. **ANNOUNCEMENTS OF THE TENDER PRICE AND SETTLEMENT**

5.1 Unless terminated in accordance with the provisions set out in paragraph 8 of this Section C of this Notice, a Quarterly Tender will close for Shareholders at the relevant Tender Submission Deadline. On or as soon as is reasonably practicable following each Tender Submission Deadline an RIS announcement will be released informing Shareholders of the aggregate number of Ordinary Shares in respect of which Tender Requests have been made.

As soon as is practicable following each Tender NAV Determination Date, the Company will make a public announcement of the NAV per Ordinary Share, average price achieved in the placing of Placed Tendered Shares and the resulting Tender Price, being a *pro rata* proportion of the aggregate proceeds received on the sale of repurchase of all Placed Tendered Shares and Repurchased Tendered Shares. The announcement will also set out the number of Tendered Shares (if any) placed in the market, the number of Tendered Shares repurchased by the Company and the extent of any Pro Rata Scaling Back due to the aggregated Tender Requests exceeding the Quarterly Restriction and/or the Annual Restriction, as applicable.

If, at any point, the 50 per cent. threshold in the Annual Restriction is reached in the relevant annual period, an RIS announcement will be made informing Shareholders that there will be no further Quarterly Tenders in respect of the Ordinary Shares until the following annual period.

- 5.2 Delivery of cash to Shareholders for the Shares to be purchased pursuant to a Quarterly Tender will be made by the Receiving Agent. The Receiving Agent will act as agent for tendering Shareholders for the purpose of receiving the cash and transmitting such cash to tendering Shareholders. Under no circumstances will interest be paid on the cash to be paid by the Company or the Receiving Agent regardless of any delay in making such payment.
- 5.3 If any tendered Shares are not purchased because of an invalid tender, the termination of a Quarterly Tender or otherwise, relevant share certificate(s) and/or other document(s) of title, if any, will be returned or sent as promptly as practicable, without expense to, but at the risk of, the relevant tendering Shareholder, or in the case of Shares held in uncertificated form (that is, in CREST), the Receiving Agent will provide instructions to Euroclear to transfer all Shares held in escrow balances by TTE Instruction to the original available balances to which those Shares relate.
- 5.4 For each Quarterly Tender, settlement of the consideration to which any Shareholder is entitled pursuant to valid Tender Requests accepted by the Company is expected to be made at the relevant Tender Settlement Date as follows:
- 5.4.1 *Shares held in certificated form (that is, not in CREST)*
Where an accepted Tender Request relates to Shares held in certificated form, cheques for the consideration due will be despatched by the Receiving Agent by first class post to the person or agent whose name and address is set out in Box 1 (or, if relevant, Box 3) of the Tender Form or, if none is set out, to the registered address of the tendering Shareholder shown in Box 2 of the Tender Form or, in the case of joint holders, the address of the Shareholder first named in the Register. All cash payments will be made in the currency to which the tendered Shares correspond by cheque drawn on a branch of a UK clearing bank.
- 5.4.2 *Shares held in uncertificated form (that is, in CREST)*
Where an accepted Tender Request relates to Shares held in uncertificated form, the consideration due will be paid by means of CREST by the Company procuring the creation of a CREST payment in favour of the tendering Shareholder's payment bank in accordance with the CREST payment arrangements.
- 5.4.3 *Timing of settlement*
The payment of any consideration to Shareholders for Tender Purchases will be made only after the relevant TTE Instruction has settled or (as the case may be) timely receipt by the Receiving Agent of share certificate(s) and/or other requisite document(s) of title evidencing such Shares and any other documents required for a Quarterly Tender.
- 5.5 If only part of a Shareholding is sold in a Quarterly Tender or if, because of any Pro Rata Scaling Back, any Shares tendered are not purchased during a Quarterly Tender, then:
- 5.5.1 where the Shares are held in certificated form, the relevant Shareholder will be entitled to receive a balance share certificate in respect of the remaining Shares; or
- 5.5.2 where the Shares are held in uncertificated form (that is, in CREST) the unsold Shares will be transferred by the Receiving Agent by means of a TTE Instruction to the original available balance from which those Shares came.

6. TENDER FORM AND TTE INSTRUCTION

- 6.1 Each Shareholder by whom, or on whose behalf, a Tender Form and/or TTE Instruction (as applicable) is executed or input, irrevocably undertakes, represents, warrants and agrees to and with the Company (so as to bind himself, and his respective personal representatives, heirs, successors and assigns) that:
- 6.1.1 the execution of the Tender Form or the input of a TTE Instruction shall constitute an offer to sell to the Company such Shareholder's Basic Entitlement or, if relevant, the number of Shares inserted in Box 1 B of the Tender Form or submitted in the TTE Instruction (as applicable), on and subject to the Tender Terms and Conditions and, once a Tender Form and/or TTE Instruction is submitted, such offer shall be irrevocable;

- 6.1.2 such Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by the Company, the Company will acquire such Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the relevant Tender Settlement Date, including the right to receive all dividends and other distributions declared, paid or made after that date;
- 6.1.3 the execution of the Tender Form or the input of a TTE Instruction will, subject to the relevant Quarterly Tender becoming unconditional, constitute the irrevocable appointment of any Director or officer of the Company as such Shareholder's attorney and/or agent, and an irrevocable instruction to the attorney to complete and execute all or any instruments of transfer and/or other documents at the attorney's discretion in relation to the Shares referred to in paragraph 6.1.1 above in favour of the Company or such other person or persons as the Company may direct and to deliver such instrument(s) of transfer and/or other documents at the discretion of the attorney, together with the share certificate(s) and/or other document(s) of title relating to such Shares, for registration within six months of the relevant Quarterly Tender becoming unconditional and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the relevant Quarterly Tender and to vest such Shares in the Company or its nominee(s) or such other person(s) as the Company may direct;
- 6.1.4 such Shareholder will ratify and confirm each and every act or thing which may be done or effected by the Company or any of its Directors or any person nominated by the Company in the proper exercise of its or their powers and/or authorities hereunder;
- 6.1.5 if such Shareholder holds Shares in certificated form, he will deliver to the Receiving Agent his share certificate(s) and/or other document(s) of title in respect of the Shares referred to in paragraph 6.1.1 above, or an indemnity acceptable to the Registrar in lieu thereof, or will procure the delivery of such certificate(s) and/or other document(s) to such person as soon as possible thereafter and, in any event, by no later than 1.00 p.m. on the relevant Tender Submission Deadline;
- 6.1.6 such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by the Company to be desirable, in each case to complete the purchase of the successfully tendered Shares and/or to perfect any of the authorities expressed to be given hereunder;
- 6.1.7 such Shareholder, if an Overseas Shareholder, has fully observed any applicable legal requirements and that the invitation under a Quarterly Tender may be made to and accepted by him under the laws of the relevant jurisdiction;
- 6.1.8 such Shareholder has not received or sent copies or originals of the Prospectus or the Tender Form or any related documents to a Restricted Territory and has not otherwise utilised in connection with a Quarterly Tender, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of any Restricted Territory, that the Tender Form has not been mailed or otherwise sent in, into or from any Restricted Territory and that such Shareholder is not accepting a Quarterly Tender from any Restricted Territory;
- 6.1.9 in the case of Shares held in certificated form, the provisions of the Tender Form shall be deemed to be incorporated into the Tender Terms and Conditions;
- 6.1.10 in the case of Shares held in certificated form, the despatch of cheques in respect of the Tender Price to such Shareholder at their registered address or such other relevant address as may be specified in the Tender Form will constitute a complete discharge by the Company of its obligations to make such payments to such Shareholder;
- 6.1.11 in the case of Shares held in uncertificated form (that is, in CREST), the creation of a CREST payment in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 5 of this Section C of this

Notice will, to the extent of the obligations so created, discharge fully any obligation of the Company to pay to such Shareholders the cash consideration to which they are entitled in a Quarterly Tender;

6.1.12 on execution, the Tender Form takes effect as a deed; and

6.1.13 the execution of the Tender Form or the input of a TTE Instruction constitutes such Shareholder's submission to the jurisdiction of the courts of England and Wales in relation to all matters arising out of or in connection with a Quarterly Tender.

6.2 A reference in this paragraph 6 to a Shareholder includes a reference to the person or persons executing the Tender Form or submitting a TTE Instruction and in the event of more than one person executing a Tender Form or submitting a TTE Instruction, the provisions of this paragraph 6 will apply to them jointly and to each of them.

7. ADDITIONAL PROVISIONS

7.1 When a Quarterly Tender takes place, Shareholders (other than a Restricted Shareholder) will be entitled, subject to the conditions and the Tender Restrictions, to have accepted valid tenders to the Company up to their Basic Entitlement. In addition, Shareholders may tender Shares in excess of their Basic Entitlement where other Shareholders tender less than their Basic Entitlement and subject to the Pro Rata Scaling Back of Tender Requests, as set out in paragraph 3.1 in this Section C of this Notice. If in the Receiving Agent's determination (in its absolute discretion) Box 1 of any Tender Form has not been validly completed in respect of the number of Shares to be tendered, provided that that Tender Form is otherwise in order and accompanied by all other relevant documents, the relevant Shareholders may be deemed to have tendered such numbers of Shares as are equal to their respective Basic Entitlements.

7.2 Shares sold by Shareholders pursuant to a Quarterly Tender will be acquired with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the relevant Tender Settlement Date, including the right to receive all dividends and other distributions declared, paid or made after that date.

7.3 Shareholders who tender or procure the tender of Shares will thereby be deemed to have agreed that, in consideration of the Company agreeing to process their Tender Request, such Shareholders will not revoke their tender or withdraw their Shares. Shareholders should note that once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.

7.4 Any omission to despatch the Tender Form or any notice required to be despatched under the terms of a Quarterly Tender to, or any failure to receive the same by, any person entitled to participate in a Quarterly Tender shall not invalidate a Quarterly Tender in any way or create any implication that a Quarterly Tender has not been made to any such person.

7.5 No acknowledgement of receipt of any Tender Form, TTE Instruction, share certificate(s) and/or other document(s) of title will be given. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Shareholders (or their designated agents) will be delivered by or sent to or from such Shareholders at their own risk.

7.6 All powers of attorney and authorities on the terms conferred by or referred to in this Notice or in the Tender Form are given by way of security for the performance of the obligations of the Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.

7.7 Subject to paragraphs 9 and 10 of this Section C of this Notice, all Tender Requests in relation to certificated Shareholders must be made on the prescribed Tender Form, fully completed in accordance with the instructions set out thereon which constitute part of the Tender Terms and Conditions of a Quarterly Tender and, for uncertificated holders, a TTE Instruction must be submitted in accordance with the instructions provided in paragraph 4.2 of this Section C of this Notice. A Tender Form or TTE Instruction will only be valid when the procedures contained in the Tender Terms and Conditions and in the Tender Form or TTE Instruction are complied with. Each Quarterly Tender and any non-contractual obligations arising out of or in connection with a Quarterly Tender will be governed by and construed in accordance with the laws of England and Wales.

- 7.8 If a Quarterly Tender is terminated in accordance with the Tender Terms and Conditions, all documents lodged pursuant to that Quarterly Tender will be returned promptly by post, within 14 Business Days of that Quarterly Tender terminating, the person or agent whose name and address is set out in Box 1 (or, if relevant, Box 3) of the Tender Form or, if none is set out, to the registered address of the tendering Shareholder shown in Box 2 of the Tender Form or, in the case of joint holders, the address of the Shareholder first named in the Register. In the case of Shares held in uncertificated form, the Receiving Agent in its capacity as the escrow agent will, within 14 Business Days of a Quarterly Tender terminating, give instructions to Euroclear to transfer all Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of a Quarterly Tender by TTE Instruction to the original available balances from which those Shares came. In any of these circumstances, Tender Forms and TTE Instructions will cease to have any effect.
- 7.9 In the case of Shares held in certificated form, the instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Tender Form shall constitute part of the Tender Terms and Conditions. The definitions set out in an this Notice apply to all Tender Terms and Conditions of the September 2014 Tender and the December 2014 Tender.
- 7.10 Subject to the paragraphs 9 and 10 of this Section C of this Notice, a Quarterly Tender is open to those Shareholders whose name appeared on the register on the relevant Quarter Record Date. Each Quarterly Tender will close at the time and date specified in Section A of this Notice. Subject to paragraphs 4.1.2 and 9.4 in this Section C of this Notice, no Tender Form, share certificate(s) and/or other document(s) of title or indemnity or TTE Instruction received after 1.00 p.m. on the relevant Tender Submission Deadline will be accepted.
- 7.11 Copies of the Tender Forms may be obtained on request from the Receiving Agent at the address set out in the Tender Form and on the Company's Website.

8. TERMINATION OF A QUARTERLY TENDER

- 8.1 A Quarterly Tender will terminate if, at any time prior to effecting the purchase of the successfully tendered Shares the Company suspends the calculation of its NAV for any reason.
- 8.2 If any Quarterly Tender terminates in accordance with this paragraph 8, the Company shall by an RIS announcement withdraw that Quarterly Tender and, in such event, that Quarterly Tender shall cease and determine absolutely.

9. MISCELLANEOUS

- 9.1 Any change to the terms, or any extension or termination of a Quarterly Tender will be followed as promptly as practicable by an RIS announcement thereof, to be issued by no later than 3.00 p.m. on the Business Day following the date of such change. In such cases, the definitions, times and dates mentioned in relation to a Quarterly Tender herein shall be deemed to be adjusted accordingly. References to the making of an announcement by the Company include the release of an announcement on behalf of the Company by the Registrar to the press and the delivery of, or telephone or facsimile or other electronic transmission of, such announcement to an RIS of the London Stock Exchange.
- 9.2 Shares purchased pursuant to a Quarterly Tender will, following the completion of such Tender Purchase, be acquired by the Company and such Shares will be cancelled by the Company.
- 9.3 The expenses of a Quarterly Tender (including stamp duty, and Portfolio realisation costs) together with the applicable VAT will be borne by the tendering Shareholders.
- 9.4 The Company reserves the absolute right to inspect (either itself or through its agents) all Tender Forms and TTE Instructions and may consider void and reject any Tender Request that does not in the Company's sole judgement (acting reasonably) meet the requirements of the Quarterly Tender to which such Tender Form or TTE Instruction relates. The Company also reserves the absolute right to waive any defect or irregularity in the tender of any Shares, including any Tender Form (in whole or in part) which is not entirely in order, the related share certificate(s) and/or other document(s) of title or an indemnity acceptable to the Company in lieu thereof. However, in that event, the consideration in a Quarterly Tender for successfully tendered Shares held in certificated form will only be despatched when the

Tender Form is entirely in order and the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to the Company has/have been received. The Company, the Receiving Agent or any other person will not be under any duty to give notification of any defects or irregularities in Tender Requests or incur any liability for failure to give any such notification.

- 9.5 The provisions of the Contracts (Rights of Third Parties) Act 1999 do not apply to Quarterly Tenders.

10. RESTRICTED SHAREHOLDERS AND OVERSEAS SHAREHOLDERS

- 10.1 The provisions of this paragraph 10 and any other terms of a Quarterly Tender relating to Restricted Shareholders and Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company but only if the Company is satisfied that such a waiver, variance or modification will not constitute or give rise to a breach of applicable securities or other laws.
- 10.2 Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Overseas Shareholder wishing to tender Shares to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection herewith, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such Overseas Shareholders will be responsible for the payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and the Company and any person acting on its behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify Quarterly Tenders or to authorise the extending of Quarterly Tenders or the distribution of Tender Forms in any territory outside the United Kingdom.
- 10.3 Quarterly Tenders will not be made to Restricted Shareholders. Restricted Shareholders will be excluded from the Quarterly Tenders in order to avoid breaching applicable local laws relating to the implementation of a Quarterly Tender. Accordingly, copies of this Notice, the Prospectus, Tender Forms and any related documents will not be and must not be mailed or otherwise distributed into a Restricted Territory, including to any Shareholder with a registered addresses in any Restricted Territory, or to persons who the Company knows to be custodians, nominees or trustees holding Shares for persons in Restricted Territories. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute or send them in or into a Restricted Territory or use such mails or any such means, instrumentality or facility in connection with a Quarterly Tender, as doing so will render invalid any related purported acceptance of a Quarterly Tender. Persons wishing to accept a Quarterly Tender should not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of that Quarterly Tender. Envelopes containing Tender Forms should not be postmarked from a Restricted Territory or otherwise despatched to a Restricted Territory and accepting Shareholders must not provide Restricted Territory addresses for the remittance of cash or return of Tender Forms.
- 10.4 A Shareholder will be deemed not to have made a valid Tender Request if:
- 10.4.1 such Shareholder is unable to make the representations and warranties set out in paragraphs 6.1.7 (if relevant) and 6.1.8 in this Section C of this Notice;
- 10.4.2 such Shareholder inserts in Box 1 (or, if relevant, Box 3) of the Tender Form the name and address of a person or agent in a Restricted Territory to whom they wish the consideration to which such Shareholder is entitled in a Quarterly Tender to be sent; or
- 10.4.3 the Tender Form received from them is in an envelope postmarked in, or which otherwise appears to the Company or its agents to have been sent from, a Restricted Territory. The Company reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the representations and warranties referred to in paragraphs 6.1.7 (if relevant) and 6.1.8 of this Section C of this Notice given by any Shareholder are correct and, if such investigation is undertaken and as a result the Company determines (for any reason) that such representations and warranties are not correct, such acceptance shall not be valid.

10.5 If, in connection with a Quarterly Tender, notwithstanding the restrictions described above, any person (including, without limitation, custodians, depositaries, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this Notice, the Prospectus, the Tender Form or any related documents in or into a Restricted Territory or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, internet and telephone) of interstate or foreign commerce of, or any facility of a national securities exchange in, a Restricted Territory in connection with such forwarding, such person should:

10.5.1 inform the recipient of such fact;

10.5.2 explain to the recipient that such action may invalidate any purported acceptance by the recipient; and

10.5.3 draw the attention of the recipient to this paragraph 10.

10.6 If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.

10.7 The provisions of this paragraph 10 supersede any of the Tender Terms and Conditions inconsistent herewith.

11. MODIFICATIONS

The Tender Terms and Conditions shall have effect subject to such non-material modifications or additions as the Company may from time to time approve in writing. The relevant Tender Submission Deadlines referred to in this Notice in respect of a Quarterly Tender may be amended by the Company. Details of any such changes will appear on the Company's Website.

SECTION D: TAXATION

The following statements are intended only as a general guide to current UK tax legislation and to what is understood to be the current practice of HMRC, both of which are subject to change with retrospective effect. They summarise certain limited aspects of the UK taxation consequences of disposing of Shares pursuant to the Quarterly Tender mechanism and may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes or Shareholders who have (or are deemed to have) acquired their shares by virtue of an office or employment, who may be subject to special rules. Unless expressly stated otherwise they apply only to Shareholders of the Company resident and, in the case of individuals, domiciled for tax purposes in the United Kingdom at all relevant times, who hold Shares as an investment (rather than as securities to be realised in the course of a trade) and who are the absolute beneficial owners of those Shares.

Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately.

UK offshore fund rules

The Company will be an offshore fund for the purposes of UK taxation. The Company intends to apply to HMRC to obtain reporting fund status and to maintain such status.

Tax on chargeable gains

On the basis that the Company will have reporting fund status, a disposal of Placed Tendered Shares by a Shareholder who is an individual pursuant to the Quarterly Tender mechanism will not be subject to UK tax as income and will be a disposal for capital gains tax purposes and may, depending on the Shareholder's individual circumstances (including the availability of exemptions, reliefs and allowable losses), give rise to a liability to capital gains tax. Whilst the position is not entirely free from doubt, on the basis that the Company will have reporting fund status, it is expected that a disposal of Repurchased Tendered shares by such a Shareholder pursuant to such mechanism will not be subject to UK tax as income and will be a disposal for capital gains tax purposes and may, depending on the Shareholder's individual circumstances (including the availability of exemptions, reliefs and allowable losses), give rise to a liability to capital gains tax.

On the basis that the Company will have reporting fund status, for Shareholders within the charge to UK corporation tax, their Shares will be treated as creditor relationships for the purposes of the rules relating to the taxation of most corporate debt contained in the Corporation Tax Act 2009 and a disposal of their Shares pursuant to the Quarterly Tender mechanism will be subjected to, or relieved from, UK corporation tax accordingly.

Transactions in securities

The attention of Shareholders is drawn to anti-avoidance legislation in Chapter 1, Part 13 of the Income Tax Act 2007 and Part 15 of the Corporation Tax Act 2010 that could apply if Shareholders are seeking to obtain tax advantages in prescribed conditions.

Stamp duty and stamp duty reserve tax ("SDRT")

No UK stamp duty will be payable on a transfer of Shares pursuant to the Quarterly Tender mechanism, provided that all instruments effecting or evidencing the transfer are not executed in the United Kingdom and no matters or things done relating to the transfer are performed in the United Kingdom.

Provided that the Shares are not registered in any register kept in the United Kingdom by or on behalf of the Company and that the Shares are not paired with shares issued by a company incorporated in the United Kingdom, any agreement to transfer the Shares pursuant to the Quarterly Tender mechanism will not be subject to UK SDRT.

General Anti-Abuse Rule

Shareholders should be attentive to the potential application of the General Anti-Abuse Rules contained in Part 5 of the Finance Act 2013 which targets abusive tax arrangements.

SECTION E: RISK FACTORS

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

The Company has been established as a closed-ended vehicle. Accordingly, there is no right or entitlement attaching to Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder. The Company has, however, established the Quarterly Tender facility, as a discount management mechanism.

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

While the Quarterly Tenders offer enhanced liquidity to Shareholders, Shareholders are not guaranteed to be able to have their Shares redeemed or repurchased by the Company because Quarterly Tenders are subject to annual Shareholder approval, the discretion of the Directors and are contingent upon certain factors including, but not limited to the restrictions as discussed further in paragraph 17.2 of Part 5 of the Prospectus.

3. Shareholders in certain jurisdictions may not be eligible to participate in Quarterly Tenders and to receive the cash proceeds thereof

The securities laws of certain jurisdictions may restrict the Company's ability to allow Shareholders to participate in any Quarterly Tenders or redemption offers. There can be no assurance that the Company will be able to conduct any Quarterly Tenders or redemption offers in a manner that would enable participation therein, or receipt of the cash proceeds thereof, by Shareholders in such jurisdictions. Shareholders who have a registered address in or who are resident or located in (as applicable) a jurisdiction other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to participate in any Quarterly Tenders or redemption offers.

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

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

Under Rule 37 of the Takeover Code, when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code. Accordingly, when the Company makes Tender Purchases pursuant to a Quarterly Tender, any resulting increase in the percentage of the voting rights in the Company held by a Shareholder (or Shareholders acting in concert) will be treated as an acquisition in accordance with Rule 37 of the Takeover Code and, if such percentage reaches 30 per cent. of the voting rights in the Company, or if a Shareholder (or Shareholders acting in concert) already hold(s) 30 per cent. of the voting rights in the Company and such percentage Shareholding increases further, the relevant Shareholder or Shareholders would be required under Rule 9 to make a general offer to all remaining Shareholders to acquire their Shares.

SECTION F: DEFINITIONS

The following definitions apply (for the purposes of this Appendix 2 to the Prospectus only) in addition to, or (where applicable) in substitution for, the definitions elsewhere in the Prospectus:

“2014 Annual Record Date”	when used in this Notice, Admission;
“December 2014 Tender”	the tender facility for the period of 1 October 2014 to 31 December 2014, as further described in paragraph 17 of Part 5 of the accompanying Prospectus;
“December Record Date”	31 December 2014, being the date by which the Shareholder must be recorded on the Register in order to be eligible for the December 2014 Tender;
“December Settlement Date”	14 January 2015, being the date by which payments will be made to the eligible Shareholder as set out in this Notice, insofar as the payments relate to the December 2014 Tender;
“December Submission Deadline”	3 December 2014, being the date by which the Tender Form or TTE Instruction must be delivered to or received by the Receiving Agent (together with supporting documentation, as applicable) in respect of the December 2014 Tender;
“Notice”	this notice of the Quarterly Tender, as contained in Appendix 2 of the Prospectus;
“Quarter Record Date”	when use in this Notice, the September Record Date, or the December Record Date (as applicable);
“Quarterly Tender”	when used in this Notice, the September 2014 Tender or the December 2014 Tender (as applicable) and “Quarterly Tenders” will be construed accordingly;
“September 2014 Tender”	the tender facility for the period of Admission to 30 September 2014, as further described in paragraph 17 of Part 5 of the accompanying Prospectus;
“September Record Date”	30 September 2014, being the date by which the Shareholder must be recorded on the Register in order to be eligible for the September 2014 Tender;
“September Settlement Date”	14 October 2014, being the date by which payments will be made to the eligible Shareholder as set out in this Notice, insofar as the payments relate to the September 2014 Tender;
“September Submission Deadline”	2 September 2014, being the date by which the Tender Form or TTE Instruction must be delivered to the Receiving Agent (together with supporting documentation, as applicable) in respect of the September 2014 Tender;
“Tender Form”	when used in this Notice, the prescribed form of irrevocable sell order to be used by Shareholders wishing to make use of any of the Quarterly Tenders, as contained in Appendix 3 to the Prospectus.
“Tender NAV Determination Date”	when used in this Notice, the Business Day as at which the Company calculates the Tender Price for the purposes of each Quarterly Tender, being 30 September 2014 for the September 2014 Tender and 31 December 2014 for the December 2014 Tender, or at such other times as the Directors may determine;
“Tender Settlement Date”	when used in this Notice, the September Settlement Date, or the December Settlement Date (as applicable); and
“Tender Submission Deadline”	when used in this Notice, the September Submission Deadline, or the December Submission Deadline (as applicable).

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APPENDIX 3

TENDER FORM

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER DULY AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 IMMEDIATELY.

This Tender Form should be read in conjunction with the notice of Quarterly Tender (the "Notice") contained in Appendix 2 to the prospectus relating to the Placing and Offer for Subscription of Ordinary Shares in the capital of the Company and Placing Programme dated 18 February 2014 (the "Prospectus"). Unless the context otherwise requires, the definitions used in the Notice and the Prospectus apply in this Tender Form.

The Quarterly Tender is not being made, directly or indirectly, in or into the United States, Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan and the Quarterly Tender cannot be accepted from within the United States, Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan. This document should not be forwarded to, or transmitted in or into the United States, Canada, Australia, the Republic of Ireland, the Republic of South Africa or the Japan. The attention of Shareholders who are resident in, or citizens, nationals or residents of, territories outside the United Kingdom and the Island of Guernsey is drawn to the section entitled "Restricted Shareholders and Overseas Shareholders" of the Notice.

If you hold any Shares via CREST you do not need to complete a Tender Form and you should refer to Section C of the Notice on how to tender any of your Shares. If you are a CREST sponsored member, your CREST sponsor will be able to send the necessary TTE Instruction to Euroclear in relation to your Shares which you wish to tender.

TWENTYFOUR SELECT MONTHLY INCOME FUND LIMITED

(a non-cellular company limited by shares incorporated in the Island of Guernsey under the Companies (Guernsey) Law 2008, as amended, with registered number 57985 and registered as a Registered Closed-ended Investment Scheme with the Guernsey Financial Services Commission)

Quarterly Tender for up to 20 per cent. of the issued share capital of the Company

IF YOU DO NOT WISH TO TENDER SHARES UNDER A RELEVANT QUARTERLY TENDER DO NOT COMPLETE OR RETURN THIS FORM

PLEASE REQUEST AND USE A SEPARATE TENDER FORM FOR EACH QUARTERLY TENDER

IF YOU HOLD ANY OF YOUR SHARES VIA CREST YOU SHOULD NOT COMPLETE A TENDER FORM IN RELATION TO THOSE SHARES. YOU SHOULD INSTEAD REFER TO THE NOTICE ON HOW TO TENDER SUCH SHARES BY GIVING A TTE INSTRUCTION

ACTION TO BE TAKEN IF YOU WISH TO TENDER SHARES IN A QUARTERLY TENDER

- Read the notes on page 147 of this Tender Form.
- Complete one Tender Election Box, Box 1 and, if relevant, Box 3, and sign in Box 2.
- Send the completed and signed Tender Form, together with your share certificate(s) and/or other document(s) of title by post using your own envelope to Computershare, Corporate Actions Projects, Bristol BS99 6AH, or (during normal business hours only by hand to Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS13 8AE (the "Receiving Agent"), **as soon as possible but, in any event, to be received by no later than 1.00 p.m. on the Tender Submission Deadline for the relevant Quarterly Tender, as set out below.**

**September 2014 Tender
1.00 p.m. on 2 September 2014**

**December 2014 Tender
1.00 p.m. on 3 December 2014**

PLEASE NOTE:

- You should request/download and complete separate Tender Forms for Shares held under different designations. You can obtain additional Tender Forms at the address set out below, or from the Company's Website:
- **Please read the accompanying Notice and Prospectus, the terms of which are incorporated in and form part of this Tender Form.**
- A Tender Form returned in an envelope postmarked in the United States, Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan, or otherwise appearing to the Company or its agents to have been sent from the United States, Australia, the Republic of Ireland, the Republic of South Africa or Japan may be rejected as an invalid tender.
- **If you have any questions on how to complete this Tender Form, please contact the Receiving Agent on 0870 707 4040 from within the UK or +44 (0)870 707 4040 if calling from outside the UK.**

Further copies of the Notice, the Prospectus and this Tender Form are available from the Receiving Agent.

HOW TO COMPLETE THIS FORM

- PLEASE USE A SEPARATE TENDER FORM FOR EACH QUARTERLY TENDER
-

1 ELECTION TO PARTICIPATE IN THE QUARTERLY TENDER

- Place a cross in the Box that corresponds to the Quarterly Tender in which you wish to participate (e.g. for September 2014, place a cross in the Box directly under “September 2014 Tender”). Do NOT put a cross in more than one box, please use SEPARATE Tender Forms for each Quarterly Tender.
- If the number of Shares tendered is LESS than your Basic Entitlement, such tender will be accepted for that amount of Shares which you have tendered.
- If the number of Shares is MORE than your Basic Entitlement, such tender in excess of your Basic Entitlement will only be satisfied to the extent that other Shareholders tender less than their Basic Entitlement or do not tender any Shares and that, in aggregate, the total number of shares tendered is less than the Annual Restriction and the Quarterly Restriction, as further described in the Notice.
- Tenders in excess of the Basic Entitlement will be satisfied *pro rata* in proportion to the amount in excess of the Basic Entitlement tendered, rounded down to the nearest whole number of Shares.
- You must also sign in Box 2 in the presence of a witness who must also sign in Box 2 stating his or her name.
- If you do not insert a number of Shares in Box 1A and you sign Box 2, you will be deemed to have accepted the Quarterly Tender in respect of your Basic Entitlement.

Insert your name(s) and address (as shown on the Company’s Register) in Box 1 in BLOCK CAPITALS.

- Insert in Box 1A the number of Shares you wish to tender.

2 SIGNATURES**INDIVIDUALS**

You MUST SIGN in Box 2 in the presence of an independent witness who should also sign where indicated and add his or her name. In the case of a joint holding, all joint holders must sign and their signatures must be witnessed.

The witness must be over 18 years of age and should not be one of the joint registered holders (if any) or otherwise have any financial interest in the Shares or in the proceeds resulting from a successful tender. The same person may witness the signature of one or more of the joint holders.

COMPANIES

Two directors or a director and the secretary may sign this Tender Form on behalf of a company incorporated in the UK. If the holder is a company incorporated outside the UK, it may sign in accordance with the laws of its jurisdiction of incorporation. In all cases, execution must be expressed to be by the relevant company.

ALL SHAREHOLDERS

If this Tender Form is signed by a person who is not the registered holder(s), insert the name(s) and the capacity (e.g. executor(s)) of the person signing. You should deliver evidence of your authority in accordance with the notes on page 147 of this Tender Form.

By signing this Tender Form you hereby appoint the Receiving Agent as your agent in respect of settlement of the purchase of Shares from you by the Company. The Company will therefore issue a contract note to the Receiving Agent on your behalf and will remit the cash consideration to the Receiving Agent with instructions that such consideration be remitted to you by cheque.

3 ALTERNATIVE ADDRESS TO WHICH THE CASH PAYMENT AND ANY DOCUMENTS ARE TO BE SENT

If you want the cash payment and any documents to be sent to someone other than the person at the address set out in Box 1 (e.g. if you would prefer them to be sent to your bank manager or stockbroker) you should complete Box 3 by inserting the address to which you want such cash payments and/or any documents to be sent. Documents and cheques in respect of the proceeds of the Quarterly Tender will not be sent in or into the United States, Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan.

IF YOU DO NOT WISH TO TENDER ANY OF YOUR SHARES UNDER A RELEVANT QUARTERLY TENDER DO NOT COMPLETE THIS FORM.

ELECTION TO PARTICIPATE IN THE QUARTERLY TENDER

Tender Election Boxes

September 2014 Tender

December 2014 Tender

1 BOX 1

Insert your name and address (as shown on the Company's Register) in BLOCK CAPITALS

Please enter here a daytime telephone number (include STD code) where you can be contacted in the event of any query arising from completion of this Tender Form.

Insert in Box 1A the number of Shares you wish to tender.

BOX 1A

2 BOX 2 EXECUTION BY INDIVIDUAL SHAREHOLDERS: IN THE CASE OF JOINT HOLDERS ALL MUST SIGN:

Signed and delivered as a Deed by:

First Holder Signature Date

Name of Witness

Signature of Witness

Joint Holder Signature Date

Name of Witness

Signature of Witness

Joint Holder Signature Date

Name of Witness

Signature of Witness

Joint Holder Signature Date

Name of Witness

Signature of Witness

Note: The Witness must be over 18 years of age and must not be one of the registered holders or have any financial interest in the Shares or in the proceeds resulting from a successful tender. The same witness may witness each signature of the joint registered holders.

EXECUTION BY A COMPANY

Executed and delivered as a deed by the company named below.

Name of Company:

Acting by

* Delete as appropriate

Signature of Director

Signature of Director/Secretary*



3 BOX 3 ALTERNATIVE ADDRESS TO WHICH THE CASH PAYMENT AND ANY DOCUMENTS ARE TO BE SENT

If you want the cash payment and any documents to be sent to someone other than the person at the address set out in Box 1 (e.g. you would prefer them to be sent to your bank manager or stockbroker), please add their details in BLOCK CAPITALS into the boxes below.

Name:

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Address (including post code):

PLEASE REMEMBER TO RETURN YOUR VALID SHARE CERTIFICATE(S) ALONG WITH THIS SIGNED TENDER FORM

NOTES REGARDING THE COMPLETION AND LODGING OF THIS TENDER FORM

The following suggestions are made to avoid delay and inconvenience:

- (A) **If a holder is away from home (e.g. abroad or on holiday):** send this Tender Form by the quickest means (e.g. air mail) to the holder for execution or, if he/she has executed a power of attorney, have this Tender Form signed by the attorney. In the latter case the power of attorney (or a duly certified copy, as provided in the Powers of Attorney Act 1971) must be lodged with this Tender Form for noting. **No other signatures will be accepted.**
- (B) **If the sole holder has died:** (i) if probate or letters of administration has/have been registered with TwentyFour Select Monthly Income Fund Limited, this Tender Form must be signed by the personal representative(s) of the deceased; or (ii) if court confirmation, probate or letters of administration has/ have been granted but has/have not been registered with TwentyFour Select Monthly Income Fund Limited, the personal representative(s) should sign this Tender Form and lodge it with the Registrar at the address shown on page 2 of this Tender Form. A copy of the court confirmation, probate or letters of administration must be lodged as soon as possible thereafter and in any event by no later than 1.00 p.m. on the Tender Submission Deadline for the relevant Quarterly Tender in order to validate this Tender Form (see (D) below for Tender Submission Deadlines).
- (C) **If one or more of the joint holders has/have died:** this Tender Form is valid if signed by all the surviving holders and lodged with the Receiving Agent at the address shown on page 2 of this Tender Form accompanied by the death certificate, probate or letter of administration of the deceased holder.
- (D) **If one or all of your share certificate(s) and/or other document(s) of title has/have been lost,** please either call the Receiving Agent using the number shown on page 2 of this Tender Form or write to the Receiving Agent at the address shown on page 2 of this Tender Form for a letter of indemnity which should be completed in accordance with the instructions given. When completed, the letter of indemnity must be received by the Receiving Agent at the address shown on page 2 of this Tender Form by no later than 1.00 p.m. on the Tender Submission Deadline for the relevant Quarterly Tender:

September 2014 Tender

1.00 p.m. on 2 September 2014

December 2014 Tender

1.00 p.m. on 3 December 2014

- (E) **If your name or other particulars are shown incorrectly on the certificate:**
 - (i) incorrect name
 For example:
 name on certificate
 James Smith
 - correct name
 James John Smythe
 - Complete and lodge this Tender Form with the correct name and accompanied by a letter from your bank, stockbroker or solicitor confirming that the person described on the certificate and the person who has signed this Tender Form are one and the same;
 - (ii) incorrect address
 Write the correct address on this Tender Form and enclose a separate letter advising of the change which will be forwarded to the Registrar; or
 - (iii) change of name
 Lodge your marriage certificate or the deed poll with the Tender Form for noting.

Tenders, once made, will be irrevocable.

