

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from an independent financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000 ("FSMA") or, if you are not resident in the UK, from another appropriately authorised independent financial adviser in your own jurisdiction.

This document comprises a prospectus relating to VPC Specialty Lending Investments PLC (the "Company") prepared in accordance with the Prospectus Rules. This document has been approved by the Financial Conduct Authority (the "FCA") and has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules.

Applications have been made to the UK Listing Authority and the London Stock Exchange for all of the Ordinary Shares of the Company to be issued pursuant to the Issue to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. Applications will be made for all of the Ordinary Shares and/or C Shares of the Company to be issued pursuant to each Subsequent Placing under the Share Issuance Programme to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission of the Ordinary Shares to be issued under the Issue will become effective and that dealings for normal settlement in the Ordinary Shares will commence on 17 March 2015. It is expected that any subsequent Admissions pursuant to Subsequent Placings under the Share Issuance Programme will become effective and dealings will commence between 26 February 2015 and 25 February 2016. All dealings in Shares will be at the sole risk of the parties concerned. The Shares are not dealt in on any other recognised investment exchange and no other such applications have been made or are currently expected.

The Company and each of the Directors, whose names appear on page 31 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Shares are only suitable for investors: (i) who understand and are willing to assume the potential risks of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment.

Prospective investors should read this entire document and, in particular, the section headed "Risk Factors" when considering an investment in the Company.

VPC SPECIALTY LENDING INVESTMENTS PLC

(Incorporated in England and Wales with company no. 9385218 and registered as an investment company under section 833 of the Companies Act 2006)

**PLACING AND OFFER FOR SUBSCRIPTION OF UP TO 200 MILLION ORDINARY SHARES AT
£1 PER ORDINARY SHARE TO RAISE UP TO £200 MILLION¹**

**SHARE ISSUANCE PROGRAMME OF UP TO 300 MILLION ORDINARY SHARES AND/OR
C SHARES IN AGGREGATE**

**ADMISSION TO THE PREMIUM SEGMENT OF THE OFFICIAL LIST OF THE UK LISTING
AUTHORITY AND TO TRADING ON THE MAIN MARKET OF THE LONDON STOCK EXCHANGE**

Investment Manager

Victory Park Capital Advisors, LLC

Sponsor, Broker and Sole Bookrunner

Jefferies

Jefferies International Limited ("Jefferies"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no one else in relation to the Issue, the Share Issuance Programme and Admission and the other arrangements referred to in this document. Jefferies will not regard any other person (whether or not a recipient of this document) as its client in relation to the Issue, the Share Issuance Programme and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the Issue, the Share Issuance Programme and Admission, the contents of this document or any transaction or arrangement referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Jefferies by FSMA or the regulatory regime established thereunder, Jefferies does not make any representation express or implied in relation to, nor accepts any responsibility whatsoever for, the contents of this document or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, the Issue or the Share Issuance Programme. Jefferies accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might have in respect of this document or any other statement.

The Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold without the consent of the Directors, which may be withheld at their sole discretion, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act ("Regulation S")). In addition, the Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "US Investment Company Act"), and the recipient of this document will not be entitled to the benefits of that Act. This document must not be distributed into the United States or to US Persons. Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved of these securities or determined if this document is truthful or complete. Any representation to the contrary is a US criminal offence.

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Shares in any jurisdiction where such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or Jefferies. The Shares have not been, and will not be, registered under the securities laws, or with any securities regulatory authority of, any member state of the EEA other than the United Kingdom, or any province or territory of Australia, Canada, the Republic of South Africa or Japan. Subject to certain exceptions, the Shares may not, directly or indirectly, be offered, sold, taken up or delivered in, into or from any member state of the EEA other than the United Kingdom, Australia, Canada, the Republic of South Africa or Japan or to or for the account or benefit of any national, resident or citizen or any person resident in any member state of the EEA other than the United Kingdom, Australia, Canada, the Republic of South Africa or Japan. This document does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves of and observe any restrictions.

The Placing and Offer will open on 26 February 2015. The Placing will close at 3.00 p.m. on 12 March 2015 and the Offer will close at 11.00 a.m. on 12 March 2015.

Dated 26 February 2015

¹ The Directors have reserved the right, in conjunction with Jefferies, to increase the size of the Issue to a maximum of 250 million Ordinary Shares if overall demand exceeds 200 million Ordinary Shares, with any such increase being announced through a Regulatory Information Service.

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Summary

Summaries are made up of disclosure requirements known as “Elements”. These elements are numbered in Sections A-E (A. 1-E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Some Elements are not required to be addressed which means there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted into the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and warnings		
Element	Disclosure Requirement	Disclosure
A.1.	Warning	This summary should be read as an introduction to this document. 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 this document is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.
A.2.	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable. The Company has not given consent to the use of this document for subsequent re-sale or final placement of the Shares by financial intermediaries.
Section B – Issuer		
Element	Disclosure Requirement	Disclosure
B.1.	Legal and commercial name	VPC Specialty Lending Investments PLC
B.2.	Domicile and legal form	The Company was incorporated in England and Wales on 12 January 2015 with registered number 9385218 as a public company limited by shares under the Act. The principal legislation under which the Company operates is the Act.
B.3.	Current operations	Not applicable. The Company has not yet commenced operations.
B.4.a	Known trends affecting the issuer	Not applicable.
B.5.	Group description	Not applicable. The Company is not part of a group.
B.6.	Major shareholders	As at the date of this document, insofar as is known to the Company, there are no parties known to have a notifiable interest under English law in the Company’s capital or voting rights. All Shareholders have the same voting rights in respect of the share capital of the Company. The Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

B.7.	Key financial information	Not applicable. The Company has been newly incorporated, has not commenced operations and has no historical financial information.
B.8.	Key pro forma financial information	Not applicable. No pro forma financial information is included in this document.
B.9.	Profit forecast	Not applicable. No profit forecast or estimate is made.
B.10.	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The Company has been newly incorporated, has not commenced operations and has no historical financial information.
B.11.	Insufficiency of working capital	Not applicable. The Company is of the opinion that, taking into account the Minimum Net Proceeds, the working capital available to it is sufficient for its present requirements, that is for at least 12 months from the date of this document.
B.34.	Investment objective and policy	<p><u>Investment objective</u></p> <p>The Company's investment objective is to generate an attractive total return for Shareholders consisting of dividend income and capital growth through investments in specialty lending opportunities.</p> <p><u>Investment policy</u></p> <p>The Company intends to achieve its investment objective by investing in opportunities in the specialty lending market through Platforms and other lending related opportunities.</p> <p>The Company may invest directly or indirectly into available opportunities, including by making investments in, or acquiring interests held by, third party funds (including those managed by the Investment Manager or its affiliates).</p> <p>Direct investments may include consumer loans, SME loans, advances against corporate trade receivables and/or purchases of corporate trade receivables originated by Platforms ("Debt Instruments"). Such Debt Instruments may be subordinated in nature, or may be second lien, mezzanine or unsecured loans.</p> <p>Indirect investments may include investments in Platforms (or in structures set up by Platforms) through the provision of credit facilities ("Credit Facilities"), equity or other instruments. Additionally, the Company's investments in Debt Instruments and Credit Facilities may be made through subsidiaries of the Company or through partnerships or other structures.</p> <p>The Company may also invest in other specialty lending related opportunities through any combination of debt facilities, equity or other instruments.</p> <p>The Company may also invest (in aggregate) up to 10 per cent. of its Gross Assets (at the time of investment) in the listed or unlisted securities (including equity and convertible securities or any warrants) issued by one or more Platforms or specialty lending entities.</p> <p>The Company will invest across various Platforms, asset classes, geographies (primarily US and Europe) and credit bands in order to create a diversified portfolio and thereby seek to mitigate concentration risks.</p>

		<p><u><i>Investment restrictions:</i></u></p> <p>The following investment limits and restrictions shall apply to the Company, to ensure that the diversification of the Company's portfolio is maintained and that concentration risk is limited:</p> <p><i>Platform restrictions:</i></p> <p>Once the proceeds of the Issue are fully invested, and subject to the following, the Company does not intend to invest more than 20 per cent. of its Gross Assets in Debt Instruments (net of any gearing ring-fenced within any SPV which would be without recourse to the Company), originated by, and/or Credit Facilities and equity instruments in, any single Platform, calculated at the time of investment. All such aggregate exposure to any single Platform (including investments via an SPV) will always be subject to an absolute maximum, calculated at the time of investment, of 25 per cent. of the Company's Gross Assets.</p> <p><i>Asset class restrictions:</i></p> <p>The Company does not intend to acquire Debt Instruments for a term longer than 5 years.</p> <p>The Company will not invest more than 20 per cent. of its Gross Assets, at the time of investment, via any single investment fund investing in Debt Instruments and Credit Facilities. In any event, the Company will not invest, in aggregate, more than 60 per cent. of its Gross Assets, at the time of investment, in investment funds that invest in Debt Instruments and Credit Facilities.</p> <p>The following restrictions apply, in each case at the time of investment by the Company, to both Debt Instruments acquired by the Company via wholly-owned SPVs or partially-owned SPVs on a proportionate basis under the Marketplace Model, as well as on a look-through basis under the Balance Sheet Model and to any Debt Instruments held by another investment fund in which the Company invests:</p> <ul style="list-style-type: none"> • No single consumer loan acquired by the Company shall exceed 0.25 per cent. of its Gross Assets. • No single SME loan acquired by the Company shall exceed 5.0 per cent. of its Gross Assets. For the avoidance of doubt, Credit Facilities entered into directly with Platforms are not considered SME loans. • No single trade receivable asset acquired by the Company shall exceed 5.0 per cent. of its Gross Assets. <p><i>Other restrictions:</i></p> <p>The Company's un-invested or surplus capital or assets may be invested in Cash Instruments for cash management purposes and with a view to enhancing returns to Shareholders or mitigating credit exposure.</p> <p>Where appropriate, the Company will ensure that any SPV used by it to acquire or receive (by way of assignment or otherwise) any loans to UK consumers shall first obtain the appropriate authorisation from the FCA for consumer credit business.</p>
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B.35.	Borrowing limits	<p>Borrowings may be employed at the level of the Company and at the level of any investee entity (including any other investment fund in which the Company invests or any SPV that may be established by the Company).</p> <p>The Company may establish SPVs in connection with obtaining leverage against any of its assets or in connection with the securitisation of its loans. It intends to use SPVs for these purposes to seek to protect the levered portfolio from group level bankruptcy or financing risks.</p> <p>The aggregate leverage of the Company and any investee entity (on a look-through basis, including borrowing through securitisation using SPVs) shall not exceed 1.5 times its Net Asset Value.</p> <p>The Company may also, in connection with seeking such leverage or securitising its loans, seek to assign existing assets to one or more SPVs and/or seek to acquire loans using an SPV.</p>
B.36.	Regulatory status	<p>As an investment trust, the Company is not regulated as a collective investment scheme by the FCA. However, it is subject to the Listing Rules, Prospectus Rules and the Disclosure and Transparency Rules and the rules of the London Stock Exchange.</p>
B.37.	Typical investor	<p>The Issue and the Share Issuance Programme are both designed to be suitable for institutional investors and professionally-advised private investors seeking exposure to alternative finance investments and related instruments. The Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in Shares in the Issue or in the Share Issuance Programme.</p>
B.38.	Investment of 20 per cent. or more of gross assets in single underlying asset or collective investment undertaking	<p>Not applicable. The Company will not invest more than 20 per cent. of its Gross Assets in a single underlying asset or in one or more collective investment undertakings which may in turn invest more than 20 per cent. of gross assets in other collective investment undertakings.</p>
B.39.	Investment of 40 per cent. or more of gross assets in another collective investment undertaking	<p>Not applicable. The Company will not invest more than 40 per cent. of its Gross Assets in another collective investment undertaking.</p>
B.40.	Applicant's service providers	<p><u>Investment Manager</u></p> <p>The Company's investment manager is Victory Park Capital Advisors, LLC, a limited liability company registered under the laws of Delaware with registration number 4343444. It is an US Securities and Exchange Commission ("SEC") registered investment adviser with SEC registration number 801-73676. The address of the registered office of the Investment Manager is 227 West Monroe Street, Suite 3900, Chicago, IL 60606 and its telephone number is +1 312 701 1777.</p>

		<p>Under the terms of the Management Agreement, the Investment Manager is entitled to a management fee and a performance fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties.</p> <p><i>Management Fee</i></p> <p>The management fee is payable in pounds sterling monthly in arrears and is at the rate of 1/12 of 1.0 per cent. per month of Net Asset Value (the “Management Fee”). For the period from Admission until the date on which 90 per cent. of the net proceeds of the Issue have been invested or committed for investment (other than in Cash Instruments), the value attributable to any Cash Instruments of the Company held for investment purposes will be excluded from the calculation of Net Asset Value for the purposes of determining the Management Fee.</p> <p>Where there are C Shares in issue, the Management Fee will be charged on the net assets attributable to the Ordinary Shares and the C Shares respectively.</p> <p>The Management Fee will be calculated and payable monthly in arrears.</p> <p>The Investment Manager shall not charge a management fee twice. Accordingly, if at any time the Company invests in or through any other investment fund or special purpose vehicle and a management fee or advisory fee is charged to such investment fund or special purpose vehicle by the Investment Manager or any of its affiliates, the Investment Manager agrees to (and shall procure that all of its relevant affiliates shall) either (at the option of the Investment Manager):</p> <ul style="list-style-type: none"> (i) waive such management fee or advisory fee due to the Investment Manager or any of its affiliates in respect of such investment fund or special purpose vehicle, other than the fees charged by the Investment Manager under the Management Agreement; or (ii) charge the relevant fee to the relevant investment fund or special purpose vehicle, subject to the cap set out in the paragraph below, and ensure that the value of such investment shall be excluded from the calculation of the Net Asset Value for the purposes of determining the Management Fee payable pursuant to the above. <p>In scenario (ii) above, where such investment fund or special purpose vehicle employs leverage from third parties and the Investment Manager or any of its affiliates is entitled to charge it a fee based on gross assets in respect of such investment, the Investment Manager may not charge a fee greater than 1.0 per cent. per annum of gross assets in respect of any investment made by the Company or any member of its group.</p>
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		<p><i>Performance Fee</i></p> <p>The Investment Manager is also entitled to a performance fee paid in pounds sterling calculated by reference to the movements in the Adjusted Net Asset Value (as defined below) over the High Water Mark. The “High Water Mark” shall be equal to (a) the gross proceeds of the Issue at Admission and (b) where a performance fee is subsequently earned, the Net Asset Value at the end of the Calculation Period at which the latest performance fee is earned.</p> <p>The performance fee will be calculated in respect of each twelve month period starting on 1 January and ending on 31 December in each calendar year (a “Calculation Period”), save that the first Calculation Period shall be the period commencing on Admission and ending on 31 December 2015 and provided further that if at the end of what would otherwise be a Calculation Period no Performance Fee has been earned in respect of that period, the Calculation Period shall carry on for the next 12 month period and shall be deemed to be the same Calculation Period and this process shall continue until a Performance Fee is next earned at the end of the relevant period.</p> <p>The performance fee will be a sum equal to 15 per cent. of such amount (if positive) and will only be payable if the Adjusted Net Asset Value at the end of a Calculation Period exceeds the High Water Mark. The performance fee shall be payable to the Investment Manager in arrears within 30 calendar days of the end of the relevant Calculation Period.</p> <p>“Adjusted Net Value” means the Net Asset Value adjusted for: (i) any increases or decreases in Net Asset Value arising from issues or repurchases of Ordinary Shares during the relevant Calculation Period; (ii) adding back the aggregate amount of any dividends or distributions (for which no adjustment has already been made under (i)) made by the Company at any time during the relevant Calculation Period; (iii) before deduction for any accrued performance fees.</p> <p>The Investment Manager shall not charge a performance fee twice. Accordingly, if at any time the Company invests in or through any other investment fund, special purpose vehicle or managed account arrangement and a performance fee or carried interest is charged to such investment fund, special purpose vehicle or managed account arrangement by the Investment Manager or any of its affiliates, the Investment Manager agrees to (and shall procure that all of its relevant affiliates shall) either (at the option of the Investment Manager):</p> <p>(i) waive such performance fee or carried interest suffered by the Company by virtue of the Investment Manager’s (or such relevant affiliate’s/affiliates’) management of (or advisory role in respect of) such investment fund, special purpose vehicle or managed account, other than the fees charged by the Investment Manager under the Management Agreement; or</p>
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- (ii) calculate the performance fee as above, except that in making such calculation the Net Asset Value (as of the date of the High Water Mark) and the Adjusted Net Asset Value (as of the NAV calculation date) shall not include the value of any assets invested in any other investment fund, special purpose vehicle or managed account arrangement that is charged a performance fee or carried interest by the Investment Manager or any of its affiliates (and such performance fee or carried interest is not waived with respect to the Company).

In the event that C Shares are in issue, the Investment Manager shall be entitled to a performance fee in respect of the assets referable to the C Shares on the same basis as summarised above. A calculation period shall be deemed to end on the date of their conversion into Ordinary Shares.

The Investment Manager reserves the right to pay commission to certain investors out of the fees payable to it under the Management Agreement.

Administrator

Northern Trust Hedge Fund Services LLC has been appointed as the administrator of the Company. The Administrator is responsible for the Company's general administrative functions (including calculation of the monthly NAV, accounts preparation and daily transaction, cash and position reconciliation services).

Under the terms of the Administration Agreement, the Administrator is entitled to a fee ranging from 0.04 per cent. to 0.07 per cent. of the NAV of the Company.

Company Secretary

Capita Registrars Limited (trading as company secretary under the name of "Capita Company Secretarial Services Limited") has been appointed as the company secretary of the Company. The Company Secretary provides the general secretarial functions required by the Act and is responsible for the maintenance of the Company's statutory records.

Under the terms of the Company Secretarial Agreement, the Company Secretary is entitled to an annual fee of £50,000, plus VAT and disbursements.

Registrar

Capita Registrars Limited (trading as registrar under the name of "Capita Asset Services") has been appointed as the Company's registrar to provide share registration services. Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee of £1.25 per Shareholder account per annum, subject to a minimum fee of £2,500 per annum, exclusive of VAT.

Custodian

Merrill Lynch, Pierce, Fenner & Smith Incorporated has been appointed as the custodian of certain of the Company's loan instruments, certificated securities and non-certificated investments.

Under the terms of the Custodian Agreement, the Custodian is entitled to be paid a fee of between US\$180 and US\$500 per annum per holding of securities in an entity (depending on the

		type of entity). In addition, the Custodian is entitled to be paid fees of up to US\$300 per account per annum (but subsequent fees will be charged at US\$150 per account annually) and other incidental fees.
B.41.	Regulatory status of investment manager and custodian	The Investment Manager is an SEC-registered investment adviser with SEC registration number 801-73676. The Custodian is a “qualified custodian” as defined in Rule 206(4)-2 under the US Investment Advisers Act of 1940, as amended. It is regulated by and subject to the supervision of the SEC.
B.42.	Calculation and publication of Net Asset Value	The unaudited Net Asset Value per Ordinary Share will be calculated by the Administrator on a monthly basis. Such calculations will be published monthly, on a cum-income and ex-income basis, through a Regulatory Information Service and will be available through the Company’s website.
B.43.	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.
B.44.	No financial statements have been made up	As at the date of this document, the Company has not yet commenced operations and no financial statements have been made up.
B.45.	Portfolio	The Company has not commenced operations and so has no portfolio as at the date of this document.
B.46.	Net Asset Value	Not applicable. The Company has not commenced operations and so has no Net Asset Value as at the date of this document.
Section C – Securities		
Element	Disclosure Requirement	Disclosure
C.1.	Type and class of securities	The Company intends to issue Ordinary Shares of nominal value £0.01 each pursuant to the Issue. The Company also intends to issue Ordinary Shares of nominal value £0.01 each and C Shares of nominal value 10 pence each pursuant to the Share Issuance Programme. The ISIN of the Ordinary Shares is GB00BVG6X439. The SEDOL of the Ordinary Shares is BVG6X43. The ticker for the Ordinary Shares is VSL. The ISIN of the C Shares is GB00BVG6X652. The SEDOL of the C Shares is BVG6X65. The ticker for the C Shares is VSLC.
C.2.	Currency denomination of Shares	Sterling for both Ordinary Shares and C Shares.

C.3.	Details of share capital	<p>Set out below is the issued share capital of the Company as at the date of this document:</p> <table data-bbox="687 230 1441 331"> <thead> <tr> <th></th> <th style="text-align: right;"><i>Nominal Value (£)</i></th> <th style="text-align: right;"><i>Number</i></th> </tr> </thead> <tbody> <tr> <td>Redeemable Preference Shares</td> <td style="text-align: right;">50,000</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>Ordinary Shares</td> <td style="text-align: right;">0.01</td> <td style="text-align: right;">1</td> </tr> </tbody> </table> <p>The Redeemable Preference Shares will be paid up in full on Admission and redeemed out of the proceeds of the Issue. The 1 Ordinary Share is fully paid up.</p>		<i>Nominal Value (£)</i>	<i>Number</i>	Redeemable Preference Shares	50,000	50,000	Ordinary Shares	0.01	1
	<i>Nominal Value (£)</i>	<i>Number</i>									
Redeemable Preference Shares	50,000	50,000									
Ordinary Shares	0.01	1									
C.4.	Rights attaching to the Shares	<p>The holders of the Ordinary Shares are entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares. The holders of Ordinary Shares shall be entitled to all of the Company's remaining net assets after taking into account any net assets attributable to any C Shares in issue. The Ordinary Shares shall carry the right to receive notice of, attend and vote at general meetings of the Company. The consent of the holders of Ordinary Shares will be required for the variation of any rights attached to the Ordinary Shares.</p> <p>The holders of C Shares are entitled to receive, and to participate in, any dividends declared in relation to the C Shares. The holders of C Shares shall be entitled to the Company's net assets attributable to the C Shares in issue. The C Shares carry the right to receive notice of and to attend and vote at any general meeting of the Company. The voting rights of holders of C Shares will be the same as that applying to the holders of existing Ordinary Shares in issue as if the C Shares and those Ordinary Shares were a single class. The consent of the holders of C Shares will be required for the variation of any rights attached to the C Shares.</p> <p>The Company has no fixed life but, pursuant to the Articles, an ordinary resolution for the continuation of the Company will be proposed at the annual general meeting of the Company to be held in 2020 and, if passed, every five years thereafter. Upon any such resolution not being passed, proposals will be put forward within 3 months after the date of the resolution to the effect that the Company be wound up, liquidated, reconstructed or unitised.</p>									
C.5.	Restrictions on the free transferability of the securities	<p>There are no restrictions on the free transferability of the Ordinary Shares or C Shares, subject to compliance with applicable securities laws.</p>									
C.6.	Admission	<p>Application has been made to the UK Listing Authority and the London Stock Exchange for all of the Ordinary Shares being offered pursuant to the Issue to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. Application will be made to the UK Listing Authority and the London Stock Exchange for all of the Ordinary Shares and C Shares being offered pursuant to the Share Issuance Programme to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities.</p> <p>It is expected that Admission of the Ordinary Shares offered pursuant to the Issue will become effective and that dealings for normal settlement in the Ordinary Shares will commence on 17 March 2015.</p>									

		It is expected that any subsequent Admissions under Subsequent Placings will become effective and dealings will commence between 26 February 2015 and 25 February 2016. All Ordinary Shares and/or C Shares to be issued pursuant to a Subsequent Placing under the Share Issuance Programme will allotted conditional upon Admission occurring.
C.7.	Dividend policy	<p>The Company intends to distribute at least 85 per cent. of its distributable income earned in each financial year by way of dividends.</p> <p>The Company will target a net dividend yield of 8.0 per cent. of the Issue Price per Ordinary Share and a net total return in excess of 10.0 per cent. per annum once the proceeds of the Issue are fully invested.* The Company intends to pay quarterly dividends to Shareholders each financial year.* <i>*Investors should note that the target dividend, including its declaration and payment frequency, is a target only and not a profit forecast. There may be a number of factors that adversely affect the Company's ability to achieve its target dividend yield and there can be no assurance that it will be met or that any growth in the dividend will be achieved. The target dividend should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not rely on these targets in deciding whether to invest in the Ordinary Shares or assume that the Company will make any distributions at all.</i></p>

Section D – Risks

Element	Disclosure Requirement	Disclosure
D.1./D.2.	Key information on the key risks that are specific to the Company and its industry	<p>The past performance of other investments managed or advised by the Investment Manager cannot be relied upon as an indicator of the future performance of the Company.</p> <p>The Company's investments will be largely unquoted assets and the valuation of such investments will involve the Investment Manager exercising judgement. There can be no guarantee that the basis of calculation of the value of the Company's investments used in the valuation process will reflect the actual value on realisation of those investments.</p> <p>The Investment Manager and its affiliates may provide services to other clients which could compete directly or indirectly with the activities of the Company and may be subject to conflicts of interest in respect of its activities on behalf of the Company.</p> <p>There is a risk that the Company will not be able to deploy its capital, re-invested capital and interest of the proceeds of any future capital raisings in a timely or efficient matter given the increased demand for suitable investments.</p> <p>The Company may face increasing competition for access to investments.</p> <p>The Company may face risks of borrower default and inadequacy of collateral.</p> <p>Loan default rates may be affected by a number of factors outside the Company's control and actual default rates may vary significantly from historical observations.</p>

		Of key concern in loan and other debt investing is the possibility of material misrepresentation or omission on the part of the borrower or Platform. Such inaccuracy or incompleteness may adversely affect the valuation of the Company's investments.
D.3.	Key information on the key risks that are specific to the Shares	<p>The market price of the Shares may fluctuate independently of their underlying net asset value and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Shares, market conditions and general investor sentiment. There can be no guarantee that any discount control policy will be successful or capable of being implemented.</p> <p>It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Shares.</p> <p>Dividend payments on the Shares are not guaranteed.</p> <p>If the Directors decide to issue C Shares or further Ordinary Shares, the proportions of the voting rights held by Shareholders may be diluted.</p>
Section E – Offer		
Element	Disclosure Requirement	Disclosure
E.1.	Proceeds and expenses of the issue	<p>The net proceeds of the Issue are dependent on the level of subscriptions received pursuant to the Issue. Assuming the target gross proceeds of the Issue are £200 million, the net proceeds will be approximately £196 million.</p> <p>The costs and expenses of the Issue have been capped at 2 per cent. of the gross proceeds and will not therefore exceed £5 million, where the maximum gross proceeds of the Issue of £250 million are raised. The Investment Manager has agreed to pay any costs and expenses in excess of 2 per cent. of the gross proceeds of the Issue plus the Share Issuance Programme.</p> <p>If the Minimum Net Proceeds are raised, the expenses of the Issue will be approximately £2 million.</p> <p>The net proceeds of the Share Issuance Programme are dependent, <i>inter alia</i>, on: the Directors determining to proceed with a Subsequent Placing under the Share Issuance Programme, the level of subscriptions received and the price at which such Ordinary Shares and/or C Shares are issued. It is expected that the costs of issuing Ordinary Shares under the Share Issuance Programme will be covered by issuing such Ordinary Shares at the Share Issuance Programme Price. The costs and expenses of any issue of C Shares under the Share Issuance Programme will be paid out of the gross proceeds of such issue and will be borne by holders of C Shares only.</p>
E.2.a.	Reasons for the Issue, use of proceeds and estimated net amount of proceeds	<p>The Board, as advised by the Investment Manager, believes that there are attractive opportunities for the Company to deliver value for Shareholders through exposure to investments in speciality lending opportunities.</p> <p>The Directors intend to use the net proceeds of the Issue and the Share Issuance Programme to acquire investments in accordance with the Company's investment objective and investment policy, including for working capital purposes.</p>

		The estimated net proceeds of the Issue are £196 million, assuming that target gross proceeds of £200 million are raised.
E.3.	Terms and conditions of the Issue	<p>The Ordinary Shares are being made available under the Issue at the Issue Price. The Placing will close at 3.00 p.m. on 12 March 2015 (or such later date as the Company and Jefferies may agree). If the Placing is extended, the revised timetable will be notified through a Regulatory Information Service. The Offer will close at 11.00 a.m. on 12 March 2015.</p> <p>The Issue is conditional upon: (a) admission of the Ordinary Shares to be issued pursuant to the Issue to the Official List and to trading on the main market of the London Stock Exchange occurring on or before 8.00 a.m. on 17 March 2015 (or such time and/or date as the Company and Jefferies may agree, being not later than 31 March 2015); (b) the Placing Agreement becoming unconditional in all respects (save for conditions relating to Admission) and not having been terminated in accordance with its terms before Admission; and (c) the Minimum Net Proceeds being raised under the Issue.</p> <p>Ordinary Shares and/or C Shares which may be made available under the Share Issuance Programme will be at the Share Issuance Programme Price. The Share Issuance Programme will open on 26 February 2015 and will close on 25 February 2016 (or any earlier date on which it is fully subscribed, as agreed between the Company and Jefferies). Each allotment and issue of Shares pursuant to a Subsequent Placing under the Share Issuance Programme is conditional, <i>inter alia</i>, on the Admission of those Shares by 8.00 a.m. on such date as the Company and Jefferies may agree from time to time in relation to that subsequent Admission and a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules.</p>
E.4.	Material interests	Not applicable. There are no interests that are material to the Issue or the Share Issuance Programme and no conflicting interests.
E.5.	Name of person selling securities	Not applicable. No person or entity is offering to sell Shares as part of the Issue or the Share Issuance Programme.
E.6.	Dilution	<p>No dilution will result from the Issue.</p> <p>If 300 million Ordinary Shares are issued pursuant to the Share Issuance Programme, assuming the Issue has been subscribed as to 200 million Ordinary Shares, there would be a dilution of approximately 60 per cent. in Shareholders' voting control of the Company immediately after the Issue.</p>
E.7.	Estimated expenses charged to the investor by the issuer	<p>Other than in respect of expenses of, or incidental to, Admission and the Issue which the Company intends to pay out of the proceeds of the Issue, there are no commissions, fees or expenses to be charged to investors by the Company under the Issue.</p> <p>The costs and expenses of the Share Issuance Programme will depend on subscriptions received but it is expected that these costs will be covered by issuing such Ordinary Shares at the Share Issuance Programme Price. The costs and expenses of any issue of C Shares under the Share Issuance Programme will be paid out of the gross proceeds of such issue and will be borne by holders of</p>

		C Shares only. The Investment Manager has agreed to pay any costs and expenses in excess of 2 per cent. of the gross proceeds of the Issue plus the Share Issuance Programme.
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Risk Factors

Investment in the Company should not be regarded as short-term in nature and involves a high degree of risk. Accordingly, investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company, including, in particular, the risks described below.

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

RISKS RELATING TO THE COMPANY AND ITS INVESTMENT STRATEGY

The Company may not meet its investment objective

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

There can be no guarantee as to whether any dividends can be paid (or as to the level of dividends to be paid) in respect of any financial period

There is no guarantee that any dividends will be paid in respect of any financial year or period. The ability to pay dividends is dependent on a number of factors including the level of income returns from the Company's portfolio of investments.

There can be no guarantee that the Company's portfolio of investments will achieve the target rates of return referred to in this document or that it will not sustain any capital losses through its investments.

The Company has no operating history

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

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

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

Borrowing risk

Prospective investors should be aware that, whilst the use of borrowings should enhance the Net Asset Value of the Ordinary Shares when the value of the Company's underlying assets is rising, it will, however, have the opposite effect where the underlying asset value is falling. In addition, in the event that the Company's income falls for whatever reason, the use of borrowings will increase the impact of such a fall on the net revenue of the Company and accordingly will have an adverse effect on the Company's ability to pay dividends to Shareholders.

The use of borrowing will also result in interest expense on the Company's borrowings and other costs. As such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates. In certain circumstances the Company may be required to prematurely liquidate investments to service its debt obligations.

There is no guarantee that any borrowings of the Company will be refinanced on their maturity either on terms that are acceptable to the Company or at all.

The Company may also invest in entities that employ gearing with the aim of enhancing returns to investors. Where an investment fund employs gearing, shares, limited partnership interests or units in such investment funds will rank after such borrowings and should these investment funds' assets fall in value, their ability to pay their investors may be affected.

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

The Company has no employees and the Directors have all been appointed on a non-executive basis. Whilst the Company has taken steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for its executive function. In particular, the Investment Manager, the Custodian, the Administrator and the Registrar will be performing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company.

The past performance of other investments managed or advised by the Investment Manager cannot be relied upon as an indicator of the future performance of the Company. Investor returns will be dependent upon the Company successfully pursuing its investment policy. The success of the Company will depend, *inter alia*, on the Investment Manager's ability to identify, acquire and realise investments in accordance with the Company's investment policy. This, in turn, will depend on the ability of the Investment Manager to apply their investment processes in a way which is capable of identifying suitable investments for the Company to invest in. There can be no assurance that the Investment Manager will be able to do so or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or avoid investment losses.

The Company may experience fluctuations in its operating results

The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of the investments made by the Company, changes in the amount of interest paid in respect of loans in the portfolio, changes in the Company's operating expenses and the operating expenses of the Investment Manager, the degree to which the Company encounters competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the Ordinary Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period.

Delays in deployment of the proceeds of the Issue may have an impact on the Company's results of operations and cash flows

Pending deployment of the net proceeds of the Issue, the Company intends to invest cash held in Cash Instruments. Interim cash management is likely to yield lower returns than the expected returns from longer-term investments. There can be no assurance as to how long it will take for the Company to invest any or all of the net proceeds of the Issue, if at all, and the longer the period the greater the likelihood that the Company's results of operations will be materially adversely affected.

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

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

Any change in the law and regulation affecting the Company may have a material adverse effect on the ability of the Company to carry on its business and successfully pursue its investment policy and on the value of the Company and the Ordinary Shares.

Currency risk and hedging risk

The assets of the Company will be invested in assets which are denominated in US Dollars, Euros, Sterling or other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates.

The Company intends to implement a hedging strategy that seeks to mitigate currency exposure fluctuations between Sterling and any other currency in which the Company's assets may be denominated, in particular US Dollars and Euros. There can be no assurances or guarantees that the Company will successfully hedge against such risks or that adequate hedging arrangements will be available on an economically viable basis, and in some cases, hedging arrangements may result in additional costs being incurred or losses being greater than if hedging had not been used.

Certain hedging arrangements may create for the Investment Manager and/or one of its affiliates a registration or exemption obligation with the US Commodity Futures Trading Commission ("CFTC") or other regulator. In such event the Investment Manager and/or its affiliates intend to qualify for an applicable exemption from registration with the CFTC as a commodity pool operator ("CPO") with respect to the Company (and/or such entities) pursuant to CFTC Regulation 4.13(a)(3), which requires filing a notice of exemption with National Futures Association. This Regulation also generally requires that (i) the Shares are exempt from registration under the Securities Act and are not publicly marketed in the United States and (ii) at the time of the relevant investment, with respect to the Company's positions in CFTC-regulated instruments: (A) aggregate initial margin and related amounts required to establish such positions will not exceed 5 per cent. of the liquidation value of the Company's portfolio, after taking into account unrealized profits and unrealized losses on any such positions; or (B) the aggregate net notional value of such positions, determined at the time the most recent position was established, does not exceed 100 per cent. of the liquidation value of the Company's portfolio, after taking into account unrealized profits and unrealized losses on any such positions. Therefore, unlike a registered CPO, the Investment Manager and/or such affiliates would not be required to deliver a CFTC-compliant disclosure document and a certified annual report to investors. Nonetheless, the Investment Manager does intend to provide investors with the reports described herein.

The Investment Manager and/or its affiliates may pursue an alternative exemption from CPO registration, or register with the CFTC.

Valuation risk

The Company's investments will be largely unquoted assets and the valuation of such investments will involve the Investment Manager exercising judgement. There can be no guarantee that the basis of calculation of the value of the Company's investments used in the valuation process will reflect the actual value on realisation of those investments. The Investment Manager is entitled to receive a management fee for its services to the Company which is based, in part, on the value of the Company's investments. This creates a potential conflict of interest as the Investment Manager will be involved in the valuation of the Company's investments.

Risk relating to any future investment in loans in the UK to UK Consumers

Whilst the Company does not currently intend to invest in any loans in the UK to any UK Consumers, should it decide to do so in the future, it would be required to obtain authorisation from the FCA prior to doing so, which would result in further costs being incurred and regulatory burdens being imposed on the Company and the Investment Manager by reason of such compliance.

US Investment Company Act

Because the Company's proposed business involves the identification and investment in loans and securities related to loans, it is possible that the Company will meet the technical definition of an "Investment Company" under the US Investment Company Act of 1940, as amended (the "Investment Company Act"). Investment Companies must register with the SEC and comply with an on-going strict regime of regulations. The Company intends to operate such that it will qualify for an exemption from registration as an Investment Company. Although the Issue is intended to qualify as an offshore transaction under US securities laws, US investors may nevertheless invest in the Company on the secondary market subject to compliance with US securities laws. While the Company believes it to be unlikely, because of the character of its future assets and US activities which may attract US investors, it is possible that the SEC determines that the Company must register and operate as an Investment Company, which would be costly, time-consuming and potentially hinder the Company's investment activities and investment returns. This risk may be compounded because of the proposed level of investment of the net proceeds of the Issue in the US, and because US regulators may view the peer-to-peer market with disfavour.

Tax information exchange regimes; FATCA withholding tax on certain non-U.S. entities

The United States, pursuant to the "Foreign Account Tax Compliance Act" or "FATCA" has entered into numerous intergovernmental agreements with various jurisdictions (including the United Kingdom) concerning the exchange of

information as a means to combat tax evasion. The United Kingdom has entered into similar agreements with various jurisdictions. Other countries are also considering such agreements, and the Organisation for Economic Co-operation and Development (OECD) has developed a worldwide tax information exchange standard pursuant to which many countries have now signed multilateral agreements for the exchange of information. A group of those countries have committed to a common implementation timetable which will see the first exchange of information in 2017, with further countries committed to implement the new global standard by 2018. One or more of these information exchange regimes are likely to apply to the Company, and will require the Company to collect and share with applicable taxing authorities information concerning shareholders (including identifying information and amounts of certain income allocable or distributable to them). In addition, FATCA generally imposes a withholding tax of 30 per cent. on a non-U.S. entity's share of most payments attributable to investments in the United States, including dividends, interest, and, beginning on January 1, 2017, gross proceeds of a disposition of stock, unless an exception applies. As the result of the intergovernmental agreement between the United States and the United Kingdom, it is expected that withholding pursuant to FATCA is unlikely with respect to amounts payable to or amounts distributable by the Company. However, under certain circumstances, it is possible that FATCA withholding could apply.

RISKS RELATING TO COMPLIANCE AND REGULATION OF PLATFORMS

Risks relating to compliance and regulation of Platforms in the UK

The UK Platforms in or through which the Company invests must hold either an interim permission (and in due course, full authorisation) from the FCA in order to engage in the regulated activity of “operating an electronic system in relation to lending”. The FCA is currently introducing application periods, giving Platforms with interim permission a three-month window in which they must apply to the FCA for full authorisation. If any Platform in or through which the Company invests were to fail to obtain full authorisation, this may result in the Platform being forced to cease its operations and may cause disruption to the servicing and administration of loans in which the Company has invested through that Platform. Any such disruption may impact the quality of debt collection procedures in relation to those loans and may result in reduced returns to the Company from those investments.

The FCA has recently also introduced new regulatory controls for Platform operators, including the application of conduct of business rules (in particular, around disclosure and promotions), minimum capital requirements, client money protection rules, dispute resolution rules and a requirement for firms to take reasonable steps to ensure existing loans continue to be administered if the firm goes out of business. The introduction of these regulations and any further new laws and regulations could have a material adverse effect on the UK Platforms' businesses and may result in the interruption of operations by the Platforms or Platforms seeking to pass increased regulatory compliance costs to their lenders, such as the Company.

Risks relating to compliance and regulation of Platforms in the US

US Platforms are required to hold consumer lending licences, collections licences or similar authorisations in some states. Such Platforms are subject to supervision and examination by the state regulatory authorities that administer the state lending laws. The licensing statutes vary from state to state and variously prescribe or impose record-keeping requirements; restrictions on loan origination and servicing practices, including limits on finance charges and the type, amount and manner of charging fees; disclosure requirements; requirements that licensees submit to periodic examination; surety bond and minimum specified net worth requirements; periodic financial reporting requirements; notification requirements for changes in principal officers, stock ownership or corporate control; restrictions on advertising; and requirements that loan forms be submitted for review.

In many cases, the US Platforms close loans in the name of a bank (such as Web Bank, a Utah-chartered industrial bank organised under Title 7, Chapter 8 of the Utah Code of the US and which has its deposits insured by the FDIC). These banks are subject to supervision and examination by the FDIC and other state institutions. Following loan closing and funding, the bank will sell the loan to the Platform.

SME Platforms in the US will generally hold a license in the state in which it operates, originate loans to SMEs and then sell those loans to institutional investors.

Failure to comply with the relevant requirements under US laws and regulations could have a material adverse effect on the US Platforms' businesses and may result in interruption of operations by the Platforms or these Platforms seeking to pass increased regulatory compliance costs to their lenders, such as the Company, through the origination fees charged to them.

RISKS RELATING TO THE INVESTMENT MANAGER

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

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

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

The Investment Manager and its affiliates are involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Manager and its affiliates currently operate and manage several Other VPC Funds and provide investment management, investment advisory or other services in relation to these funds or future funds which will have similar investment policies and similar types of investments to those of the Company.

The Investment Manager and its affiliates may carry on investment activities for other accounts in which the Company has no interest. The Investment Manager and its affiliates may also provide management services to other clients, including other collective investment vehicles. The Investment Manager and its affiliates may give advice and recommend securities to other managed accounts or investment funds which may differ from advice given to, or investments recommended or bought for, the Company, even though their investment policies may be the same or similar. The Investment Manager and its affiliates may have economic interests in such other accounts (and do have economic interests in the Other VPC Funds) and receive management fees and carried interests relating to these interests.

The Company is reliant on the Investment Manager's relationships with Platforms

The Company is reliant on the Investment Manager's relationships with Platforms. Whilst the Investment Manager is the investment manager of the Company, the Company should indirectly benefit from these relationships through the terms and the investment opportunities offered by Platforms (which have a relationship with the Investment Manager) to the Investment Manager through platform agreements entered into between such Platforms and the Investment Manager. Should the Investment Manager cease to continue to be the investment manager of the Company, there is the risk that the Company will not be able to pursue its investment objective and policy.

RISKS RELATING TO THE COMPANY'S PORTFOLIO

Competition and portfolio concentration risks

The current market in which the Company will participate is competitive and rapidly changing.

There is a risk that the Company will not be able to deploy its capital, re-invested capital and interest of the proceeds of any future capital raisings in a timely or efficient manner given the increased demand for suitable investments.

Furthermore, the Investment Manager and its affiliates are currently conducting, and may in the future conduct, capital raisings for Other VPC Funds at the same time as it/they conduct any capital raisings for the Company. There is therefore a risk that the Company will not be able to deploy its capital, re-invested capital and interest of the proceeds of any future capital raisings in a timely or efficient manner given the possible competing demand for suitable investments from Other VPC Funds.

The rate of deployment of such capital would be contingent on the availability of suitable investment opportunities at that time.

The Company may face increasing competition for access to investments as the alternative finance industry continues to evolve. The Company may face competition from other institutional lenders such as fund vehicles and commercial banks that are substantially larger and have considerably greater financial, technical and marketing

resources than the Company. Other institutional sources of capital may enter the market in both the UK and US. These potential competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than the Investment Manager. There can be no assurance that the competitive pressures the Company faces will not erode the Company's ability to deploy capital and thus impact the financial condition and results of the Company.

Securitisation

Where the Company seeks to use securitisation, there is the risk that the Investment Manager may not be able to securitise its loans on advantageous terms or at all.

Leverage at the level of an investee entity or SPV

Where leverage is used at the level of an investee entity or SPV, the lender to that investee entity or SPV would typically have a priority to the assets of such entity/SPV which rank ahead of the Company.

Unlisted investments

Investments which are unlisted at the time of acquisition may remain unlisted and may therefore be difficult to value and/or realise.

Special situations

The Company may invest in (or acquire loans to) companies involved in or undergoing corporate work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. Such investments may include debtor-in-possession financing. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security with a value less than the purchase price of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Company may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Company may invest, there is a potential risk of loss by the Company of its entire investment in such companies.

The following risks are specific to the Company's proposed investments in loans:

Risk of borrower default and inadequacy of collateral

The ability of the Company to earn revenue is dependent upon payments being made by the borrowers of the loans acquired by the Company through a Platform or by the borrowers of a Platform to which the Company has provided a credit facility. In the case of the former, any default in repayment of loans by borrowers greater than existing credit enhancements may affect the profitability of the Company. In the case of the latter, any default in repayment of any loans by borrowers will affect the ability of the Platform to repay the Company any amounts lent to it.

Moreover, in relation to any loans which the Company believes are secured by specific collateral, there can be no assurance that the liquidation of any such collateral would satisfy a borrower's obligation in the event of non-payment of principal payments or scheduled interest in respect of the loan. In addition, in the event of bankruptcy or insolvency of a borrower, the Company could experience delays or limitations with respect to its ability to realise the benefits of the collateral. Moreover, the Company's security interests may be unperfected for a variety of reasons, including the failure to make required filings and, as a result, the Company may not have priority over other creditors as anticipated.

Risk of default by the Platforms

Under the Balance Sheet Model, if losses due to Platform default exceed any guarantees or collateral provided by the Platform and its subsidiaries, the Company could sustain a loss. Under the Marketplace Model, the Company is entitled to all principal and interest payments received against any purchased loans. The Platform agrees under a service agreement to act as servicer of the loans held by the Company. If the Platform fails to honour its obligations under the service agreement, the Company could suffer a loss in the value of the Debt Instruments.

Loan default rates may be affected by a number of factors outside the Company's control and actual default rates may vary significantly from historical observations

Loan default rates may be significantly affected by economic downturns or general economic or political conditions beyond the Company's control. In particular, default rates on loans may increase due to factors such as prevailing interest rates, the rate of unemployment, the level of consumer confidence, residential real estate values, the value of the US Dollar, Euros or Sterling, energy prices, changes in consumer spending, the number of personal bankruptcies, insolvencies, disruptions in the credit markets and other factors. The significant downturn in the global economy over the past several years has caused default rates on loans to increase, and a continuation of the downturn may result in continued high or increased loan default rates.

The default history for loans originated via Platforms is limited and actual defaults may be greater than indicated by historical data and the timing of defaults may vary from historical observations.

Prepayment risk

Borrowers may decide to prepay all or a portion of the remaining principal amount due under a borrower loan at any time. In the event of a prepayment of the entire remaining unpaid principal amount of a borrower loan acquired by the Company, the Company will receive such prepayment, but whilst a prepayment penalty may be payable to the Company, further interest will not accrue on such loan after the date of the prepayment. If the borrower prepays a portion of the remaining unpaid principal balance interest will cease to accrue on the prepaid portion, and the Company will not receive all of the interest payments that it expected to receive.

Fraud

Of key concern in loan and other debt investing is the possibility of material misrepresentation or omission on the part of the borrower or Platform. Such inaccuracy or incompleteness may adversely affect the valuation of the Company's investments. The Investment Manager will rely upon the accuracy and completeness of representations made by issuers to the extent the Investment Manager believes to be reasonable, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Company may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Limited secondary market and liquidity

There is currently no formal secondary market operated by any of the Platforms through which the Company intends to invest shortly after Admission in relation to the sale of whole loans. There is currently very limited liquidity in the secondary trading of these investments. Until an active secondary market develops, the Company will primarily adhere to a "lend and hold" strategy and will not necessarily be able to access significant liquidity. In the event of adverse economic conditions in which it would be preferable for the Company to sell certain of its assets, the Company may not be able to sell a sufficient proportion of its portfolio as a result of liquidity constraints. In such circumstances, the overall returns to the Company from its investments may be adversely affected.

Risks associated with the Platforms' credit scoring models

A prospective borrower is assigned a loan grade by a Platform based on a number of factors, including the borrower's credit score and credit history. Credit scores are produced by third-party credit reporting agencies based on a borrower's credit profile, including credit balances, available credit, timeliness of payments, average payments, delinquencies and account duration. This data is furnished to the credit reporting agencies by the creditors. A credit score or loan grade assigned to a borrower member by a Platform may not reflect that borrower's actual creditworthiness because the credit score may be based on outdated, incomplete or inaccurate reporting data. Additionally, it is possible that, following the date of any credit information received, a borrower may have defaulted on a pre-existing debt obligation, taken on additional debt or sustained other adverse financial or life events.

Certain debt investments

The Company is not restricted from investing in second lien, mezzanine, subordinated or unsecured loans. When an issuer defaults on an unsecured loan the holder's only recourse against the issuer is generally to accelerate the loan and enter into costly litigation to recover the outstanding principal and interest. There is no assurance that such litigation would result in full repayment of the loan. Also, see the paragraphs headed "Second Lien Loans", "Mezzanine Loans" and "Subordinated Loans" below.

Second lien loans

The loans invested by the Company may include second lien loans. Second lien loans are subject to the same risks associated with loans in general described above. However, second lien loans are subordinate in right of payment to one or more senior secured loans of the related issuer and therefore are subject to additional risk that the cash flow of the related issuer and the assets securing the loan may be insufficient to repay the scheduled payments to the Company after giving effect to any senior secured obligations of the related issuer. Second lien loans are also expected to be a more illiquid investment than senior secured loans for such reason.

Subordinated loans

The loans invested by the Company may include subordinated loans. Subordinated loans are subject to the same risks associated with loans in general described above. However, because subordinated loans represent the most subordinated class of an issuer's debt structure and are expected to be unsecured, subordinated loans represent a highly leveraged investment in the issuer which (aside from equity) suffers the greatest risk of loss including a risk of loss of the entire investment. Subordinated loans are also expected to be particularly illiquid investments.

Mezzanine loans

The loans invested by the Company may include mezzanine loans. Mezzanine loans are subject to the same risks associated with loans in general described above. However, mezzanine loans are not a senior secured obligation of the related issuer and may be unsecured, and therefore are subject to the additional risk that the cash flow of the related issuer and the assets securing the loan (if any) may be insufficient to repay the scheduled payments to the Company after giving effect to any senior obligations of the related issuer. Mezzanine loans are also expected to be highly illiquid investments. Mezzanine loans acquired by the Company will be subject to certain additional risks to the extent that such loans may not be protected by financial covenants or limitations upon additional indebtedness.

"Lender Liability" risks in the US

In recent years, a number of judicial decisions in the United States have upheld the right of issuers to sue debt holders on the basis of various evolving legal theories, including equitable subordination (collectively termed "Lender Liability"). Generally, Lender Liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower. The Company, as a creditor, may be subject to allegations of Lender Liability. Furthermore, the Company may be unable to control the conduct of the lenders under a loan syndication agreement requiring less than a unanimous vote, yet the Company may be subject to Lender Liability for such conduct.

In limited cases, courts have subordinated the claim of a lender against a borrower to claims of other creditors of the borrower especially when the lending institution is found to have engaged in unfair, inequitable or fraudulent conduct. Because of the nature of certain of the Company's debt investments, the Company could be subject to claims from creditors of an issuer of a debt instrument in the Company's investment portfolio that such debt instrument should be equitably subordinated. As indicated above with respect to claims of Lender Liability, the Company could be subject to such a claim based upon the conduct of others, such as lenders in a syndicate, over which it did not have control.

The following risks are specific to the Company's proposed investments in the equity of Platforms:

These investments are expected to be in entities which are smaller companies. Smaller companies, in comparison to larger companies, often have a more restricted depth of management and higher risk profiles. Investors should not expect that the Company will necessarily be able to realise, within a period which they would otherwise regard as reasonable, its investments in such companies and any such realisations that may be achieved may be at considerably lower yields than expected.

The Company may invest in the listed or unlisted equity of any Platform. Investments in unlisted equity, by their nature, involve a higher degree of valuation, performance uncertainties and liquidity risks than investments in listed securities and therefore may be more difficult to realise.

In comparison with listed and quoted investments, unlisted companies are subject to further risks, including that they:

- may have shorter operating histories and smaller market shares, rendering them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- are more likely to depend on the management talents and efforts of a founder or small group of persons and, if any such persons were to cease to be involved in the management or support of such companies, this could have a material adverse impact on their business and prospects and the investment in them made by the Company; and
- generally have less predictable operating results and may require significant additional capital to support their operations, expansion or competitive position.

Preference shares and convertible instruments

The Company may invest in preference shares and convertible instruments. In the case of preference shares, holders are often entitled to receive fixed dividends from the issuer, and their claim on the issuer's income and assets ranks before that of holders of ordinary shares, but after that of creditors. The Company may also invest in convertible securities and warrants. Convertible securities are generally debt or preferred securities that may be converted at either a stated price or a stated ratio into ordinary shares. Warrants are securities that permit their owners to purchase a specific number of stock shares at a predetermined price in the future.

There are specific risks associated with preferred investments. An issuer typically may redeem its preferred securities at predetermined redemption prices. Any such redemption may negatively impact the Company's performance if redemption proceeds from redeemed investments cannot be reinvested in securities paying comparable rates of return. Generally, holders of preferred investments have no or very limited voting rights with respect to the issuer. The holders may be negatively impacted if they have no input into the manner in which the issuer is conducting its business and the securities are illiquid, making it difficult for the holders to divest the securities. The dividends from a preferred investment could be non-cumulative, meaning that at any given time, the holder would only have a claim for the dividends of the immediate period, not past periods during which the issuer did not have sufficient earnings to pay dividends. Preferred securities are typically subordinated to bonds and other debt instruments of the issuer and therefore are subject to greater credit risk than such instruments, meaning that there is a risk that the investment will decline in price or the issuer will fail to make a dividend or interest payment when due because of a degradation in its financial status. Preferred investments also are subject to interest rate risk.

The following risks are specific to the Company's proposed investments in other fund vehicles:

The Company may make investments indirectly via other investment funds which are managed by third party managers. If the Company is a participant in any such third party vehicle, the Company would bear, along with other participants, its *pro rata* share of the fees and expenses of that third party vehicle. These expenses and fees may be in addition to the fees and expenses which the Company bears directly in connection with its own operations and may be paid to such third party managers or their affiliates. The existence of such additional fees and expenses may result in reduced returns to investors.

Any fund vehicles in which the Company invests may employ gearing. Accordingly, the Company will be subject to the risks associated with gearing in connection with such investments. Whilst gearing should enhance returns where the value of a fund's underlying assets is rising; it will have the opposite effect where the value of the underlying assets is falling. The considerations described above in "Borrowing risk" are also generally applicable to the use of gearing by fund vehicles in which the Company invests.

RISKS RELATING TO CUSTODY

Institutional Risk; Reliance on Third Parties

Institutions, such as the Custodian and other brokerage firms, banks, custodians, over-the-counter ("OTC") transaction counterparties or limited partnerships, will have custody of certain assets of the Company, or will hold significant amounts of margin posted by the Company. Although financial institutions generally are highly regulated entities, bankruptcy, fraud or poor capitalisation at one of these institutions could impair the operational capabilities or the capital position of the Company. A financial institution's loss of any assets of the Company would impair the

operational capabilities of the Company or cause damaging losses, or even complete loss, of its capital. To help mitigate this risk, the Company will seek to contract only with major financial institutions with significant experience in holding the assets of entities like the Company.

Where underlying whole loans originated by a Platform are not held by a qualified custodian (for instance, where they are held directly by a Platform), in the event of insolvency or the opening of bankruptcy, moratorium, liquidation or reorganisation proceedings of such unqualified custodian, the Company may indirectly suffer an irrecoverable loss in respect of such assets, which could have a material adverse effect on the Company's financial performance.

RISKS RELATING TO TAXATION

US tax on effectively connected income

Although the Company intends to conduct its activities in a manner so as to not be treated as engaged in a U.S. trade or business, it is possible that income derived from certain of its activities, including the loan origination activities of Platforms, may be deemed to be income effectively connected with a U.S. trade or business and thus subject to U.S. federal income taxation. The Company believes that it will not be treated as engaged in a U.S. trade or business based upon advice from its external tax advisors; however, there can be no assurance that the Internal Revenue Service (IRS) or a court would agree with the Company's position or would not challenge such position. If the Company were found to be engaged in a U.S. trade or business, the Company would be required to file a U.S. federal income tax return and would be subject to U.S. federal income tax on its income and gain that is effectively connected with such U.S. trade or business at U.S. corporate tax rates. In addition, the Company would be required to pay a branch profits tax equal to 30 per cent. of the dividend equivalent amount for the taxable year, unless such rate is reduced under the U.S.-U.K. tax treaty.

Although Shareholders should not be subject to any U.S. reporting obligations or the payment of any U.S. tax directly, any tax liability at the Company level would affect a Shareholder's after-tax return.

Investment trust status

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

Overseas taxation

The Company may be subject to taxation under the tax rules of the jurisdictions in which it invests, including by way of withholding tax from interest and other income receipts. Although the Company will endeavour to minimise any such taxes this may affect the level of returns to Shareholders.

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

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

RISKS RELATING TO THE ORDINARY SHARES AND THE C SHARES OFFERED PURSUANT TO THE ISSUE AND PURSUANT TO THE SHARE ISSUANCE PROGRAMME

General risks affecting the Ordinary Shares and the C Shares

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

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

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

The price at which the Ordinary Shares and C Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its investments and some which may affect companies generally. Admission should not be taken as implying that there will be a liquid market for the Ordinary Shares or the C Shares. Consequently, the share price may be subject to greater fluctuation on small volumes of trading of Ordinary Shares or C Shares and the Ordinary Shares and/or C Shares may be difficult to sell at a particular price. The market price of the Ordinary Shares and/or C Shares may not reflect their underlying Net Asset Value.

While the Directors retain the right to effect repurchases of Ordinary Shares in the manner described in this document, they are under no obligation to use such powers or to do so at any time and Shareholders should not place any reliance on the willingness of the Directors so to act. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Ordinary Shares on the market. There can be no guarantee that a liquid market in the Ordinary Shares will develop or that the Ordinary Shares will trade at prices close to their underlying Net Asset Value. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value or at all.

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

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

Although the Shares are freely transferable, there are certain circumstances in which the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of or redeeming of the Shares. These circumstances include where a transfer of Shares would cause, or is likely to cause: (i) the assets of the Company to be considered "plan assets" of any Benefit Plan Investor; (ii) the Company to be required to register under the US Investment Company Act, or members of the senior management of the Company to be required to register as "investment advisers" under the Investment Advisers Act; (iii) the Company to be required to register under the US Exchange Act or any similar legislation, amongst others; or (iv) the Company to be unable to comply with its obligations under FATCA.

Further issues of Ordinary Shares and C Shares – Dilution risk

The Directors have been authorised to issue, without the application of pre-emption rights, up to 300 million Shares (either in the form of Ordinary Shares and/or C Shares). If the Directors decide to issue further Ordinary Shares on a non-pre-emptive basis the proportions of the voting rights held by the holders of Ordinary Shares on Admission will be diluted on the issue of such Ordinary Shares as each Ordinary Share carries the right to one vote. Additionally, the voting rights may be diluted further on conversion of any C Shares issued through the Share Issuance Programme, depending on the applicable conversion ratio.

Important Notices

General

This document should be read in its entirety before making any application for Ordinary Shares. Investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as 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 Investment Manager, Administrator, Custodian or Jefferies or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules neither the delivery of this document nor any subscription made under this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information contained in this document is correct as at any time subsequent to its date.

Apart from the liabilities and responsibilities (if any) which may be imposed on Jefferies by FSMA or the regulatory regime established thereunder, Jefferies does not make any representations, express or implied, or accept any responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, the Issue, the Share Issuance Programme or Admission. Jefferies (together with its respective affiliates) accordingly disclaims all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which either might otherwise have in respect of this document or any such statement.

In connection with the Issue, Jefferies and any of its affiliates acting as an investor for their own account(s) may subscribe for the Ordinary Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or related investments in connection with the Issue or otherwise. Accordingly, references in this document to the Ordinary Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, Jefferies or any of its affiliates acting as an investor for its or their own account(s). Jefferies does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Memorandum of Association and the Articles which investors should review. A summary of the Articles is contained in paragraph 3 of Part IX of this document under the section headed "Articles of Association".

Data protection

The information that a prospective investor in the Company provides in documents in relation to a subscription for Ordinary Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("personal data") will be held and processed by the Company (and any third party in the United Kingdom to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom. Each prospective investor acknowledges and consents that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company) for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- contacting the prospective investor with information about other products and services provided by the Investment Manager, or its affiliates, which may be of interest to the prospective investor;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Each prospective investor acknowledges and consents that where appropriate it may be necessary for the Company (or any third party, functionary, or agent appointed by the Company) to:

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

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

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

Regulatory Information

The contents of this document are not to be construed as advice relating to legal, financial, taxation, accounting, regulatory, investment decisions or any other matter. Prospective investors must inform themselves as to:

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

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

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions. The Ordinary Shares may not be offered, sold, pledged or otherwise transferred to (i) any US Person or a person acting for the account of a US Person or (ii) a Benefit Plan Investor.

This document does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

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

Notice to prospective investors in the European Economic Area

The Ordinary Shares have not been, and will not be, registered under the securities laws, or with any securities regulatory authority of, any member state of the EEA other than the United Kingdom and subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered, sold, taken up or delivered in or into any member state of the EEA other than the United Kingdom.

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

For the Attention of Irish Investors

This document has been prepared in accordance with the Prospectus Directive and has been approved by the Financial Conduct Authority in its capacity as the UK Listing Authority. No action has been taken or arrangement made with the Central Bank of Ireland (the competent authority in Ireland for the purpose of Directive 2003/71/EC as amended (the "Prospectus Directive") for the use of this document as an approved prospectus in Ireland.

Accordingly, the Ordinary Shares may not be offered or sold in Ireland and this document may not be distributed in Ireland other than:

- a) to “qualified investors” within the meaning of the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland (the “Irish Prospectus Regulations”); or
- b) in any other circumstances which, pursuant to Regulation 9 of the Irish Prospectus Regulations, do not require the publication by the Company of a prospectus.

No Irish investor shall knowingly sell the Ordinary Shares to other Irish resident investors.

This document shall only be marketed to professional investors in Ireland, as defined in the European Union (Alternative Investment Fund Managers) Regulations 2013 (the “Irish AIFMD Regulations”). This document shall not be marketed to retail investors, as defined in the Irish AIFMD Regulations.

Neither the Company nor the investment has been authorised by the Central Bank of Ireland.

This document and the information contained herein are private and confidential and are for the use solely of the person to whom this document is addressed. If a prospective investor is not interested in making an investment, this document should be promptly returned. This document does not, and shall not be deemed to, constitute an invitation to the public in Ireland to purchase interests in the Company.

No person receiving a copy of this document may treat it as constituting an invitation to them to purchase interests in the Company or a solicitation to anyone other than the addressee.

The offer for sale of interests in the Company shall not be made by any person in Ireland otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) and in accordance with any codes, guidance or requirements imposed by the Central Bank of Ireland thereunder.

Statement regarding US taxation

TO ENSURE COMPLIANCE WITH UNITED STATES TREASURY DEPARTMENT CIRCULAR 230, EACH PROSPECTIVE INVESTOR IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF US TAX ISSUES HEREIN IS NOT INTENDED TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY A PROSPECTIVE INVESTOR FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PROSPECTIVE INVESTOR UNDER APPLICABLE TAX LAW; (B) SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF TREASURY DEPARTMENT CIRCULAR 230) OF THE OFFER TO SELL ORDINARY SHARES BY THE COMPANY; AND (C) A PROSPECTIVE INVESTOR IN ORDINARY SHARES SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT ADVISOR.

Note regarding non-mainstream pooled investments (“NMPI”)

Since the Company is a UK investment trust, the security to be issued by the Company should be considered as an “excluded security” and so should be exempt from being a NMPI.

Forward-looking statements

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

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations, the Company expressly disclaims any obligation to update or revise any forward-looking statement contained in this document to reflect changes in expectations with regard thereto or any change in events,

conditions, or circumstances on which any statement is based, unless required to do so by law or any appropriate regulatory authority, including FSMA, the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules.

Past or projected performance is not necessarily indicative of future results, and there can be no assurance that the Company or its portfolio will achieve comparable results to those presented in this document, that the Company or the Investment Manager will be able to implement their investment strategies or achieve their investment objectives or that the returns generated by any investments by the Company will equal or exceed any past or projected returns presented in this document.

No assurance, representation or warranty is made by any person that any of the targets or estimated future returns set forth in this document will be achieved and no recipient of this information should rely on such targets or estimated future returns set forth in this document. Nothing contained in this document may be relied upon as a guarantee, promise or forecast or a representation of the future.

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

Expected Issue Timetable

Latest time and date for commitments under the Offer	11.00 a.m. on 12 March 2015
Latest time and date for commitments under the Placing	3.00 p.m. on 12 March 2015
Publication of results of the Issue	13 March 2015
Admission and dealings in Ordinary Shares commence	17 March 2015
CREST accounts credited with uncertificated Ordinary Shares	17 March 2015
Where applicable, definitive share certificates despatched by post in the week commencing	23 March 2015

Expected Share Issuance Programme Timetable

Share Issuance Programme opens	26 February 2016
Publication of Share Issuance Programme Price in respect of each issue pursuant to the Share Issuance Programme	as soon as practicable following the closing of each issue pursuant to the Share Issuance Programme
Admission and crediting of CREST accounts in respect of each issue pursuant to the Share Issuance Programme	as soon as practicable following the allotment of Shares pursuant to the Share Issuance Programme
Definitive share certificates in respect of Shares issued pursuant to the Share Issuance Programme despatched by post	approximately one week following the Admission of any Shares pursuant to the Share Issuance Programme
Share Issuance Programme closes and last date for Shares to be admitted pursuant to the Share Issuance Programme	25 February 2016

Any changes to the expected timetable set out above will be notified by the Company through a Regulatory Information Service. All references to times in this document are to London times. In particular the Board may, with the prior approval of the Investment Manager and Jefferies, bring forward or postpone the closing time and date for the Issue. In the event that such date is changed, the Company will notify investors who have applied for Ordinary Shares pursuant to the Issue of changes to the timetable either by post, by electronic mail or by the publication of a notice through a Regulatory Information Service.

Issue Statistics

Issue Price	£1 per Ordinary Share
Gross proceeds of the Issue*	£200 million
Estimated net proceeds of the Issue to be received by the Company*	£196 million
Expected Net Asset Value per Ordinary Share on Admission*	£0.98 per Ordinary Share

* Assuming that the Issue is subscribed as to £200 million. The costs of the Issue to be borne by the Company will not exceed 2 per cent. of the gross proceeds of the Issue.

Share Issuance Programme Statistics

Maximum size of the Share Issuance Programme	300 million Shares (either in the form of Ordinary Shares and/or C Shares in aggregate)
Share Issuance Programme Price	in respect of Ordinary Shares, not less than the prevailing Net Asset Value (cum-income) per Ordinary Share at the time of issue, or £1 per C Share for any issue of C Shares ²

² Please refer to the paragraph headed "The Share Issuance Programme Price" under Part V of this document for full details.

Dealing Codes

The dealing codes for the Ordinary Shares are as follows:

ISIN	GB00BVG6X439
SEDOL	BVG6X43
Ticker	VSL

The dealing codes for the C Shares are as follows:

ISIN	GB00BVG6X652
SEDOL	BVG6X65
Ticker	VSLC

Directors, Investment Manager and Advisers

Directors	Andrew Adcock Clive Peggram Elizabeth Passey Kevin Ingram <i>all of the registered office below</i>
Registered Office	40 Dukes Place London EC3A 7NH United Kingdom Telephone: +44 (0) 207 204 1601
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Investment Manager and AIFM	Victory Park Capital Advisors, LLC 227 West Monroe Street Suite 3900 Chicago IL 60606 United States Telephone: +1 312 701 1777
Company Secretary	Capita Company Secretarial Services Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
Administrator	Northern Trust Hedge Fund Services LLC 50 South LaSalle Street Chicago Illinois 60603 United States
Registrar	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
Receiving Agent	Capita Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
Custodian	Merrill Lynch, Pierce, Fenner & Smith Incorporated 101 California Street San Francisco CA 94111 United States Telephone: +1 415-288-2576

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English Legal Adviser to the Sponsor and Bookrunner

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1 Embankment Place
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United Kingdom

Part I

Specialty Lending Market Overview

The specialty lending market has grown in prominence following the financial crisis as a result of bank regulation (particularly in Europe and the US) imposing restrictions on certain types of lending by banks. This regulation aims to ensure that deposit taking institutions maintain defined capital and liquidity requirements in order to safeguard client deposits.

Since the 2008 recession, the supply of consumer credit for non-prime borrowers remains constrained. It is estimated that the average credit score³ in the US is 666, where only 660 and above is referred to as “prime”, and that 35 per cent. of the US population have a credit score of not more than 660⁴, making access to conventional financing difficult. As a result, there is a large and growing population of US consumers with limited access to conventional credit; in 2013 there were approximately 50.9 million adults living in under-banked households in the United States⁵.

Likewise, lending to small businesses has declined substantially since 2008, a trend that began in the early 1990s. By September 2014, the share of small business loans at banks had decreased to 26 per cent., down from 40 per cent. as recently as 2005⁶.

Driven largely by these factors, specialty lending Platforms have flourished. These Platforms predominantly operate online. In 2010, Platforms in the US accounted for approximately US\$0.2 billion of loans to consumers and small businesses, but this had grown to nearly US\$7 billion by 2014⁷. Despite this rapid growth, specialty lending represents a small portion of US consumer debt, estimated at US\$314 billion of personal loans and US\$659 million of credit card debt respectively, allowing for continued growth.

In the UK and across Europe, the landscape is similar – bank lending to both consumers and small businesses is in decline while specialty lending platforms continue to grow. In the UK, total outstanding borrowing facilities from banks to small businesses have reduced from £106.1 billion in 2011 to £100.5 billion in 2014 while outstanding unsecured loans to consumers have declined from £76.7 billion in 2008 to £41.6 billion in 2014⁸. In the Euro area, new bank lending to small firms has declined by 35 per cent. between 2008 and 2013 to €649 billion⁹.

However, in the past two years alone, specialty small business lending in the UK has experienced a 248 per cent. compounded annual growth from £62 million in 2012 to £749 million in 2014 and over that same period consumer platform lending has grown at an annual compounded rate of 108 per cent. from £127 million to £547 million¹⁰.

Unlike traditional brick-and mortar lenders, specialty finance companies have low overhead costs, attractive margins and scalability. By comparison, banks typically operate on a large fixed cost basis, including personnel, branch infrastructure and administration costs. These costs are widely acknowledged to be a factor in the interest rates offered to their customers.

Comparison of Platform models

The Investment Manager has operated its business using two primary structures for providing debt capital to Platforms, known as the “Balance Sheet Model” and the “Marketplace Model” described further below. The Investment Manager intends to utilise both of these models to achieve the investment objective of the Company.

³ Using the Equifax Credit Score™

⁴ Consumer Financial Protection Bureau—Card Act Report (October 2013)

⁵ 2013 FDIC National Survey of Unbanked and Underbanked Households (dated October 2014)

⁶ Harvard Business School “The State of Small Business Lending” and FDIC Quarterly Banking Profile (September 2014)

⁷ This is based on the Investment Manager’s projections.

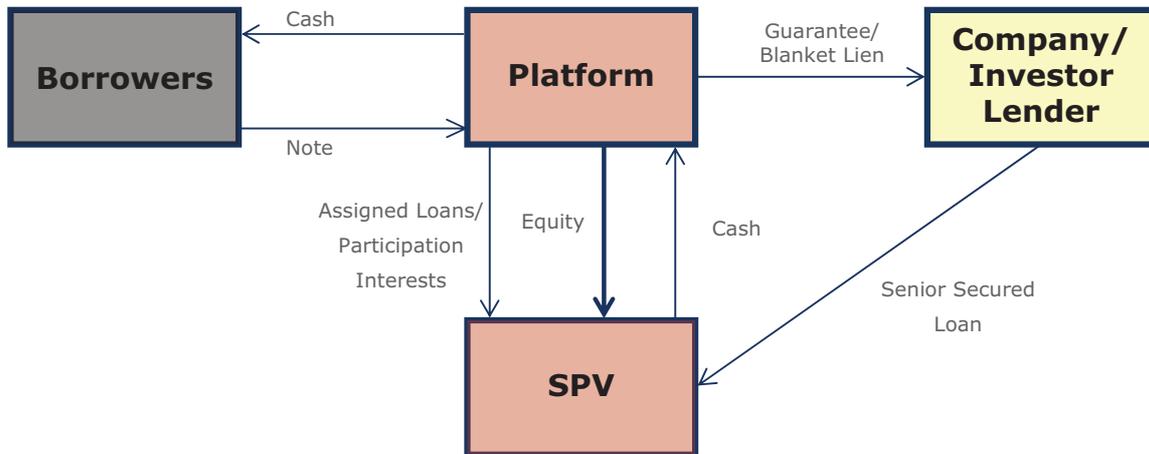
⁸ British Bankers Association: High Street Banking Statistics (November 2014) and SME Statistics (Q3 2014)

⁹ Economist: Financing Europe’s small firms, Don’t bank on the banks

¹⁰ Nesta: Understanding Alternative Finance, The UK Alternative Finance Industry Report 2014 (November 2014)

1. Balance Sheet Model

The Balance Sheet Model is where a company provides a credit facility to a Platform via a wholly owned SPV of the Platform, as depicted below:



In the Balance Sheet Model, the Platform originates the loans to the underlying borrower (which could be a consumer or a business), and retains the right to all the principal and interest payments on them. The Platform often obtains equity funding from, for instance, seed investors or venture financing and debt financing from an investor lender, such as the Company.

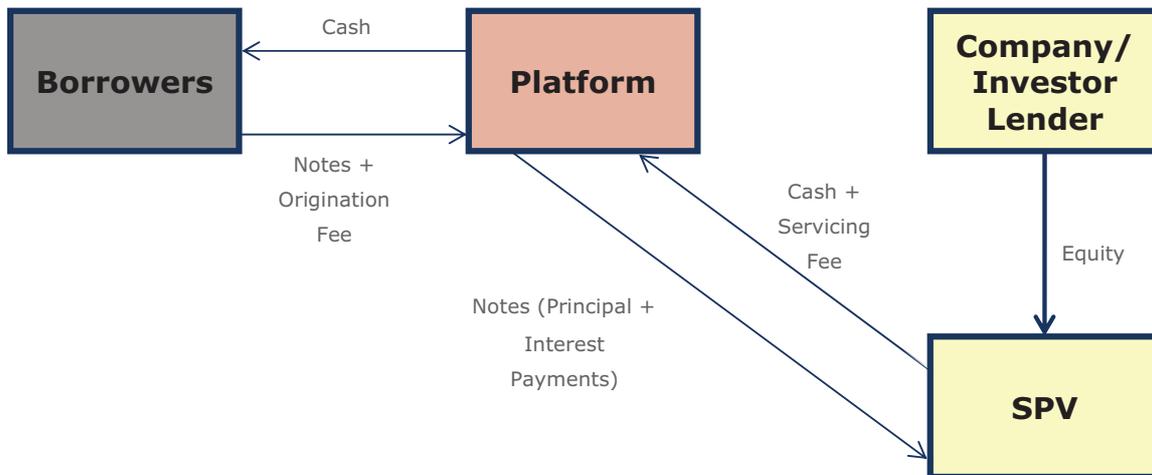
The debt financing is typically arranged in the form of a senior secured credit facility and provided on the basis of pre-defined parameters and limitations on the types of loans it can be used to fund. Parameters may include requirements as to the underlying loan to value ratio or default rate on loans or reference to the profile of the borrower or their region. Based on these criteria, the Platform will assign loans to the SPV or otherwise issue to it a participation note in respect of the relevant underlying loans (this having an equivalent effect as the assigning of loans).

Although an investor lender is exposed to Platform credit risk using the Balance Sheet Model, this risk is typically mitigated by any losses being first borne by the Platforms, in addition to the Platform and its subsidiaries providing the investor lender with guarantees and collateral (including stock pledges over the issued share capital of the subsidiaries and blanket liens on the assets of the entities that hold the underlying loans) to secure the debt. The terms of the security package (in particular, in terms of the loan to value calculations) are typically structured in such a way so that any risk of potential loss is adequately mitigated. An investor lender may also seek to negotiate the grant of equity or equity warrants in the Platform as part of its agreement to provide financing.

Currently, the targeted, gross unlevered annualised return for an investor lender is generally between 11 per cent. and 16 per cent.

2. Marketplace Model

In the Marketplace Model, an SPV is formed by the investor lenders to buy outstanding whole loans from the Platform or from one of its subsidiaries. The investor lenders fund the SPV with equity each time the Platform and investor lenders agree a purchase of a loan. The typical marketplace structure is depicted below:



In this model, the Platform earns an origination fee for the loans and the SPV is entitled to all principal and interest payments. All interest payments are for the account of the SPV and the SPV bears the loss for any defaulted loans. In some cases, the Investment Manager is able to obtain credit enhancements from the Platform, such as first loss protection and repayment of origination fees by the Platform on any defaulted loans.

Currently, the targeted gross unlevered annualised returns from financing by investor lenders such as the Company are generally between 6 per cent. and 10 per cent. and gross levered annualised returns are expected to be between 11 per cent. and 18 per cent.

The Marketplace Model generally mitigates Platform credit risk because the SPV is owned and controlled directly by the investor lender(s) and the SPV owns the loans outright (and is therefore entitled to receive payments from the underlying borrowers). The investor lender usually enters into a service agreement with the Platform to service the loans, but retains the right to replace the Platform as service provider if certain events (e.g. bankruptcy of the Platform) were to occur. Furthermore, a number of Platforms have in place back-up servicing agreements with third parties who would be able to service the underlying loans of a Platform in the event of the bankruptcy of such Platform.

The underwriting process deployed by Platforms

Through the emergence of e-commerce and big data processing, the peer-to-peer lending model has developed efficient and effective ways to analyse and categorise credit risks across numerous asset classes. Big data optimisation is a technologically-driven process that allows Platforms to design underwriting models utilising high volumes of information obtained through third party sources, to make educated decisions on a borrower's creditworthiness.

Platforms typically use multi-level credit and risk rating models to assess the creditworthiness of borrower members. Borrowers are asked to submit detailed information about themselves, their employment status (in the case of consumer loans), their general financial information and the purpose of the loan. Their applications are subject to detailed review and credit scoring by the Platforms. Many applications are automatically declined as a result of failing on one or more basic criteria, for example, insufficient credit scores, debt-to-income ratios that are too high, or, in the case of SMEs, insufficient operating history. The Platforms typically obtain information and a credit assessment rating from one or more independent credit ratings agencies. Applications are then further reviewed through the Platforms' underwriting process, which includes both identification and fraud checks. In the case of consumer loans, most employed borrowers and/or their employers are contacted individually in order to verify information provided. After accepting a loan application, classifying each loan into a credit grade and assigning an interest rate level or band, the Platform allocates the loan against specific funding provided under the Balance Sheet Model or Marketplace Model where these loans meet the requisite parameters.

Regulatory matters

As part of its due diligence procedures, the Investment Manager will check that Platforms through which it invests are appropriately authorised.

In the US

The US Platforms are required to hold consumer lending licences, collections licences or similar authorisations in some states. Such Platforms are subject to supervision and examination by the state regulatory authorities that administer the state lending laws. The licensing statutes vary from state to state and variously prescribe or impose recordkeeping requirements; restrictions on loan origination and servicing practices, including limits on finance charges and the type, amount and manner of charging fees; disclosure requirements; requirements that licensees submit to periodic examination; surety bond and minimum specified net worth requirements; periodic financial reporting requirements; notification requirements for changes in principal officers, stock ownership or corporate control; restrictions on advertising; and requirements that loan forms be submitted for review.

In many cases, the Platforms close loans in the name of a bank (such as Web Bank, a Utah-chartered industrial bank organised under Title 7, Chapter 8 of the Utah Code of the US and which has its deposits insured by the FDIC). These banks are subject to supervision and examination by the FDIC and other state institutions. Following loan closing and funding, the bank will sell the loan to the Platform.

The SME Platforms will generally hold a licence in the state in which it operates, originate loans to SMEs and then sell those loans to institutional investors.

In the UK

In April 2014, the regulation of the consumer credit market transferred from the Office of Fair Trading to the FCA, including responsibility for regulating peer-to-peer lending platforms. There is a new regulated activity of “operating an electronic system in relation to lending” that covers the facilitation of lending and borrowing through electronic platforms. This new regulated activity covers the operation of the electronic platform, as well as other connected activities including, presenting the loan agreements to the lender and borrower, providing information to potential lenders about the financial standing of potential borrowers, collecting debts and administering the agreements facilitated by the Platform and providing credit information services (including credit repair). Certain of the Platforms operating in the UK through which the Company intends to invest must hold interim permission from the FCA for this activity. In due course, each relevant Platform will be required to seek full authorisation from the FCA to continue its regulated activities. The FCA is introducing application periods, giving firms with interim permission a three-month window in which they must apply to the FCA for full authorisation.

The FCA has also introduced new regulatory controls for Platform operators, including the application of conduct of business rules (in particular, around disclosure and promotions), minimum capital requirements, client money protection rules, dispute resolution rules and a requirement for firms to take reasonable steps to ensure existing loans continue to be administered if the firm goes out of business.

Part II

The Company

Introduction

The Company is a closed-ended investment company incorporated in England and Wales on 12 January 2015. Its registered office is at 40 Dukes Place, London EC3A 7NH, United Kingdom. The Company intends to carry out business as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

Investment objective

The Company's investment objective is to generate an attractive total return for Shareholders consisting of dividend income and capital growth through investments in specialty lending opportunities.

Investment policy

The Company intends to achieve its investment objective by investing in opportunities in the specialty lending market through Platforms and other lending related opportunities.

The Company may invest directly or indirectly into available opportunities, including by making investments in, or acquiring interests held by, third party funds (including those managed by the Investment Manager or its affiliates).

Direct investments may include consumer loans, SME loans, advances against corporate trade receivables and/or purchases of corporate trade receivables originated by Platforms ("**Debt Instruments**"). Such Debt Instruments may be subordinated in nature, or may be second lien, mezzanine or unsecured loans.

Indirect investments may include investments in Platforms (or in structures set up by Platforms) through the provision of credit facilities ("**Credit Facilities**"), equity or other instruments. Additionally, the Company's investments in Debt Instruments and Credit Facilities may be made through subsidiaries of the Company or through partnerships or other structures.

The Company may also invest in other specialty lending related opportunities through any combination of debt facilities, equity or other instruments.

The Company may also invest (in aggregate) up to 10 per cent. of its Gross Assets (at the time of investment) in the listed or unlisted securities (including equity and convertible securities or any warrants) issued by one or more Platforms or specialty lending entities.

The Company will invest across various Platforms, asset classes, geographies (primarily US and Europe) and credit bands in order to create a diversified portfolio and thereby seek to mitigate concentration risks.

Investment restrictions:

The following investment limits and restrictions shall apply to the Company, to ensure that diversification of the Company's portfolio is maintained and that concentration risk is limited:

Platform restrictions:

Once the proceeds of the Issue are fully invested, and subject to the following restrictions, the Company does not intend to invest more than 20 per cent. of its Gross Assets in Debt Instruments (net of any gearing ring-fenced within any SPV which would be without recourse to the Company), originated by, and/or Credit Facilities and equity instruments in, any single Platform, calculated at the time of investment. All such aggregate exposure to any single Platform (including investments via an SPV) will always be subject to an absolute maximum, calculated at the time of investment, of 25 per cent. of the Company's Gross Assets.

Asset class restrictions:

The Company does not intend to acquire Debt Instruments for a term longer than 5 years.

The Company will not invest more than 20 per cent. of its Gross Assets, at the time of investment, via any single investment fund investing in Debt Instruments and Credit Facilities. In any event, the Company will not invest, in aggregate, more than 60 per cent. of its Gross Assets, at the time of investment, in investment funds that invest in Debt Instruments and Credit Facilities.

The Company will not invest more than 10 per cent. of its Gross Assets, at the time of investment, in other listed closed-ended investment funds, whether managed by the Investment Manager or not, except that this restriction shall not apply to investments in listed closed-ended investment funds which themselves have stated investment policies to invest no more than 15 per cent. of their gross assets in other listed closed-ended investment funds.

The following restrictions apply, in each case at the time of investment by the Company, to both Debt Instruments acquired by the Company via wholly-owned SPVs or partially-owned SPVs on a proportionate basis under the Marketplace Model, as well as on a look-through basis under the Balance Sheet Model and to any Debt Instruments held by another investment fund in which the Company invests:

- No single consumer loan acquired by the Company shall exceed 0.25 per cent. of its Gross Assets.
- No single SME loan acquired by the Company shall exceed 5.0 per cent. of its Gross Assets. For the avoidance of doubt, Credit Facilities entered into directly with Platforms are not considered SME loans.
- No single trade receivable asset acquired by the Company shall exceed 5.0 per cent. of its Gross Assets.

Other restrictions:

The Company's un-invested or surplus capital or assets may be invested in Cash Instruments for cash management purposes and with a view to enhancing returns to Shareholders or mitigating credit exposure.

Where appropriate, the Company shall first obtain the appropriate authorisation from the FCA for consumer credit business should it and/or any SPV used by it acquire or receive (by way of assignment or otherwise) any loans to UK Consumers.

Borrowing policy:

Borrowings may be employed at the level of the Company and at the level of any investee entity (including any other investment fund in which the Company invests or any SPV that may be established by the Company).

The Company may establish SPVs in connection with obtaining leverage against any of its assets or in connection with the securitisation of its loans (as set out further below). It intends to use SPVs for these purposes to seek to protect the levered portfolio from group level bankruptcy or financing risks. Each SPV will be ring-fenced from one another and will not involve cross-collateralisation.

The aggregate leverage of the Company and any investee entity (on a look-through basis, including borrowing through securitisation using SPVs) shall not exceed 1.5 times its Net Asset Value.

The Company may also, in connection with seeking such leverage or securitising its loans, seek to assign existing assets to one or more SPVs and/or seek to acquire loans using an SPV.

Securitisation:

The Company may use securitisation, typically for loans purchased directly from Platforms through the Marketplace Model, in order to: improve overall profitability by lowering the cost of financing; further diversify its portfolio using the same amount of equity capital; and lower the credit risk to the Company.

In order to securitise certain assets, a bankruptcy remote SPV would be established, solely for the purpose of holding the underlying assets and issuing asset backed securities ("ABS") secured only on the assets within the SPV. Each SPV would be Platform specific and would be owned or controlled by the Company, in whole or in part, alongside Other VPC Funds or investors. Each SPV used for securitisation will be ring-fenced from one another and will not involve cross-collateralisation. The SPV will enter into service agreements with the relevant Platforms to ensure continued collection of payments, pursuit of delinquent borrowers (end consumers) and otherwise interaction with borrowers in much the same manner as if the securitisation had not occurred.

Change in investment policy:

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

Hedging policy

The Company intends to hedge currency exposure between Sterling and any other currency in which the Company's assets may be denominated, including US Dollars and Euros.

The Company will, to the extent it is able to do so on terms that the Investment Manager considers to be commercially acceptable, seek to arrange suitable hedging contracts, such as currency swap agreements, futures contracts, options and forward currency exchange and other derivative contracts (including, but not limited to, interest rate swaps and credit default swaps) in a timely manner and on terms acceptable to the Company.

Investment strategy and risk management policy

The Investment Manager utilises a comprehensive and disciplined process when analysing and managing investments which comprises four phases. A typical investment involves at least one of the Investment Manager's management committee members, one principal or vice president and an associate as well as operational professionals (the "Deal Team").

All of the Company's transactions must be approved by a Company-specific investment committee (the "**Company Investment Committee**") prior to execution. The Company Investment Committee currently comprises Richard Levy, Brendan Carroll and Gordon Watson, however the composition may be changed by the Investment Manager from time to time.

Sourcing & Screening:

The Investment Manager typically sources investment opportunities through its extensive relationships with intermediaries (brokers, legal and accounting firms), industry channels (consultants, investment banks, operating executives) and venture capital firms.

The Investment Manager also benefits from reverse enquiries from companies, given its experience and reputation in the specialty lending space.

The Deal Team seek to concentrate on opportunities that generate current yield with collateral and structural protection and look to maximize the potential for upside through equity and/or other deal enhancements.

Pre-Investment Due Diligence & Underwriting:

The Investment Manager's review of a potential investment begins with initial meetings with the Platform's management team to gain an understanding of the business. If the Investment Manager has interest, the Deal Team will prepare a memorandum summarising the investment opportunity, risks, preliminary structure and pricing and the comprehensive plan for further due diligence.

If the Investment Manager's general investment committee, which currently consists of seven senior members of the Investment Manager (the "**VPC Investment Committee**"), approves the memorandum, the Deal Team will deliver indicative terms to the prospective Platform. The Investment Manager requires that each potential Platform agree to certain terms and conditions before proceeding with further due diligence. These terms typically include: (i) the proposed investment structure; (ii) key economic terms such as interest rates, fees and equity component, if any; (iii) coverage of due diligence costs; and (iv) financial covenants such as minimum returns and collateral coverage.

Once the parties agree to the terms, and prior to investing in any Debt Instruments through a Platform, the Investment Manager engages in a multi-stage due diligence process to review the Platform's viability from a commercial, financial and operational perspective. This process includes onsite due diligence by Deal Team members as well as due diligence by recognised third-party firms to augment the Investment Manager's own findings. The goal is to assess the Platform's ability to do business in the markets in which it operates for the foreseeable future, the soundness of the Platform's financial planning and the Platform's ability to manage regulatory and business risks.

For both the Balance Sheet and Marketplace Model investments the Deal Team evaluates the Platform's underwriting criteria and performance. They obtain a full listing of the Platform's loans made to date, as well as its underwriting standards and default history. In addition, a review of the systems and infrastructure is carried out to assess their robustness as well as the Platform's ability to manage operational risks.

For Balance Sheet Model investments, a comprehensive background check on the Platform's senior management is also carried out.

Once due diligence is complete, a memorandum is prepared by the Deal Team and presented to the VPC Investment Committee describing the opportunity, risks, agreed structure, pricing and covenants. The Deal Team prepares a financial model illustrating the prospective return scenarios, including the base case, as well as expectations regarding upside and downside potential.

The VPC Investment Committee undertakes a thorough analysis of the memorandum to confirm that the investment thesis is sound, including a detailed review of the analysis conducted by the Deal Team of the Platform's business and financial condition, as well as the operational characteristics.

If a proposed investment is approved by the VPC Investment Committee, the Deal Team moves ahead with execution.

Portfolio Construction:

Assessing the balance of expected returns with inherent risks is an integral part of the Investment Manager's investment strategy and will drive all aspects of portfolio construction. All investments shall be approved by the Company Investment Committee.

The market for specialty lending Platforms is growing rapidly and the Investment Manager will consider, across a broad spectrum of Platforms, the relative merits of different asset classes and sources of Debt Instruments.

The Investment Manager will consider each investment opportunity as it relates to the Company's investment restrictions to ensure that the transaction size and underlying exposures are consistent with the Company's investment policy and targeted net returns.

The Investment Manager will construct a portfolio that it believes meets the targeted diversification across Platforms, asset classes, currencies, investment structures and geographies.

Where the Company invests in Debt Instruments indirectly through any other investment fund, those investments will be made in accordance with the investment policy, investment strategy and risk tolerances stated above. Each such investment fund will be analysed and monitored to assess its investment objective and policy, the associated credit asset risk and its ability to generate returns for the Company. At the Company portfolio level, any investments into other investment funds are expected to assist in mitigating any concentration risks by offering the Company the opportunity to access a broader spectrum of Debt Instruments through different Platforms and across different credit grades, enhancing the overall portfolio diversification the Company seeks while also supporting the risk-adjusted returns that the Company is targeting.

In the Marketplace Model, Debt Instruments are acquired at a price based on platform agreements, taking into account a Platform's cost of acquisition, servicing, as well as expected losses.

The Company may also seek to make strategic investments in the equity of Platforms where the Investment Manager believes there to be significant potential valuation upside. In addition, in some cases, the Investment Manager may seek to obtain warrants or debt instruments convertible into equity of the Platform. The Investment Manager will seek to obtain or invest in equity of Platforms which exhibit the potential to capture significant market share. The Investment Manager will undertake an extensive due diligence process prior to the acquisition of any equity stake in a Platform.

Monitoring & Risk Management:

The Investment Manager will apply a rigorous, disciplined and hands-on approach to post-investment monitoring and will actively assess portfolio risk and performance.

Each Platform is responsible for certain pre-agreed reporting requirements. The Investment Manager establishes the scope and frequency of the reporting requirements specifically for each Platform based on the risk and the availability of data. Typical requirements may include monthly financials, budgets and financial projections and covenant compliance certification.

Members of the Deal Team will frequently interact with the Platforms and typically perform the following monitoring functions where appropriate: (i) monitor the Platform's cash and bank accounts; (ii) review borrowing base certificates; (iii) periodic onsite due diligence; (iv) verify financial covenants and (v) review financial reporting package.

The Deal Team will also be responsible for utilising this information to maintain its internal financial models which are used to monitor and evaluate the investment.

If the Investment Manager determines that a Platform has breached a covenant or it believes one may be breached, it may designate VPC employees or third party experts to examine the Platform and its underlying business. Once the examination is complete, the VPC Investment Committee will review the report and address any critical issues.

The Deal Team will also carry out portfolio level analysis such as stress tests and scenario analysis to understand and mitigate the impact of specific risk factors on performance. Stress tests on the portfolio will be based on scaling of the expected portfolio loss rates and factoring in any mitigants such as first loss protection and over-collateralisation. The Investment Manager uses long-term historical time-series as well as platform specific data to calculate its stress severities.

In the Balance Sheet Model, any losses are first borne by the Platform and in the case of deterioration of loan quality the Investment Manager can require additional collateral to be posted or for a lower loan to debt value to be provided. In the Marketplace Model, the first loss is suffered by the SPV, but in some cases the Investment Manager may be able to negotiate certain credit enhancement features, such as first loss protection on any defaulted loans or repayment of origination or service fees.

Proposed investments

Whilst the Investment Manager currently does not have any seed portfolio of investments or legally-binding commitments to enter into any investments for or on behalf of the Company, it is nonetheless anticipated that, following Admission, the Company will invest in a number of Platforms through several channels (whether directly or indirectly) as further described below:

- (i) by providing capital to Platforms via the Balance Sheet Model and via the Marketplace Model (such models are as described in Part I of this document). It is anticipated that the Company would be able to do this by benefitting from the existing platform agreements entered into by the Investment Manager (or a SPV managed by the Investment Manager) with various Platforms, pursuant to which such Platforms have agreed to make certain loans available for investment by funds managed by the Investment Manager;
- (ii) acquiring existing interests held by Other VPC Funds, where such Other VPC Funds are already invested in various Platforms (whether through the Balance Sheet Model or Marketplace Model); or
- (iii) investing in Other VPC Funds where such Other VPC Funds are already invested in various Platforms (whether through the Balance Sheet Model or Marketplace Model).

As set out in Part I of this document, there are two typical structures for providing debt capital to Platforms, known as the Balance Sheet Model and the Marketplace Model (the mechanics of each are described in detail in Part I). Currently, the Investment Manager already utilises both of these models in managing Other VPC Funds. The Investment Manager intends to utilise both of these models to achieve the investment objective and policy of the Company.

Occasionally, a SPV to be used by the Company for the purposes of its investments will be co-owned by other investors who would typically be other clients of the Investment Manager. The Investment Manager will negotiate appropriate terms of investment for the Company in such situations with a view to safeguarding the interests of the Company. The Investment Manager has indicated that where such co-investment or syndicated investment situations arise it will seek to ensure that the investment terms of the relevant investors are materially the same and that no investor will be given materially favourable treatment.

Summary of existing Platforms

Set out below is a summary of the Platforms (i) with which the Investment Manager currently has an existing relationship through its management of Other VPC Funds and (ii) in which the Company is anticipated to invest (whether directly or indirectly, through any of the channels described at the beginning of this section):

Avant Credit Corporation ("Avant")

Avant provides short-term financing to "near-prime" (i.e. FICO scores between 600 and 700) consumer borrowers in select states across the US and the UK. Financings are in the form of instalment loans typically up to US\$10,000 in value. The average loan is approximately US\$4,000 with an average duration of three years. APR on Avant's portfolio can range from 19 per cent. to 39.95 per cent.

Avant was founded in 2012 and is headquartered in Chicago, Illinois. VPC's Balance Sheet Model facility under its existing platform agreement currently provides up to US\$538 million of financing, of which more than US\$300 million was unfunded as of 31 January 2015.

Borro Group Holdings Limited ("Borro")

Borro provides consumer loans to UK and US based consumers secured by high-end personal assets, such as watches, jewellery and diamonds, fine art and antiques, prestige and classic cars and fine wine. Borro underwrites its loans to the borrower at a loan-to-value ratio of approximately 65 per cent. on average and maintains possession of the borrower's collateral until loan repayment. Average loan size is US\$10,200, with an average loan term of six months. APRs range between 48 per cent. to 52 per cent. annually.

Borro is headquartered in London and also has an office in New York, US. Currently, approximately 61 per cent. of its loans are to UK consumers and the balance to US consumers. VPC's Balance Sheet Model facility under its existing platform agreement provides up to US\$112 million of financing, of which US\$72 million was unfunded as of 31 January 2015.

Fast Legal Funding, LLC ("Fast Trak")

Fast Trak provides individuals involved in pending lawsuits in the US ("Claimants") access to financing in exchange for a claim interest ("CI") in their pending legal claim. Each CI is underwritten whereby advances are capped at 15 per cent. of estimated settlement value, with the average CI being approximately US\$13,000. CIs return 43 per cent. to 60 per cent. effective annual yields either through fixed monthly use fees (3 to 4 per cent. per month) or a fixed-dollar return schedule. The average duration of a CI is approximately 18 months.

Fast Trak was founded in 2009 and is headquartered in New York, US. VPC's Balance Sheet Model facility under its existing platform agreement provides up to US\$50 million of financing, of which approximately US\$23 million was unfunded as of 31 January 2015.

Elevate Credit Inc. ("Elevate")

Elevate provides unsecured short-term financing to individual "near prime" and "sub-prime" borrowers. It currently provides US instalment loans, UK instalment loans and employer lines of credit. The average loan is in the range of US\$1,200 to US\$4,000, depending on the particular loan type, with a duration range of 24 to 41 months. APRs can be up to 278 per cent. annually.

Elevate is headquartered in Fort Worth, Texas, US and originates from a spin-off of Think Finance LLC in May 2014. VPC's Balance Sheet Model platform currently provides up to US\$315 million of financing, of which more than US\$140 million was unfunded as of 31 January 2015.

Kreditech Holdings SSL GmbH ("Kreditech")

Kreditech is an online direct lender to under-banked individuals in certain European countries. It bridges the disconnection between consumers and banks, using proprietary big data complex algorithms and automated workflows to credit score consumers worldwide. The average loan size is €263 with an average loan term of three months.

Kreditech was founded in 2012 and is headquartered in Hamburg, Germany. Under its existing Balance Sheet Model platform agreement, VPC has committed US\$192 million of financing, of which US\$181 million was unfunded as of 31 January 2015. The platform agreement includes an entitlement to receive equity warrants in the business as the draft facility is drawn down.

LendUp Global, Inc. (“LendUp”)

LendUp is an online direct lender to sub-prime borrowers (i.e. FICO score below 600) that seeks to offer a “borrower friendly” alternative to typical payday loans. LendUp uses publically available online data to assess which applicants will be a good credit risk, and rewards customers with lower interest rates for repaying their loan on time and for taking credit education courses. The average loan size is approximately US\$270 with an average loan term of approximately one month. APRs can be as high as 300 per cent.

LendUp was founded in 2011 and is headquartered in San Francisco, California. VPC’s Balance Sheet Model facility under its existing platform agreement provides up to US\$50 million of financing, of which US\$41 million was unfunded as of 31 January 2015.

Funding Circle USA, Inc. and Funding Circle Limited (together, “Funding Circle”)

Funding Circle operates a marketplace lending platform that facilitates loans to small businesses in the UK and the US. Typical loan amounts range from £5,000/US\$25,000 to £1,000,000/US\$500,000, with terms of six months to five years and annual interest rates of 5.99 to 20.99 per cent. Funding Circle earns revenue primarily from charging loan origination fees to borrowers of between two and five per cent of the loan amount and loan servicing fees.

Funding Circle is headquartered in London with US operations headquartered in San Francisco, California. VPC has committed to buy whole loans of up to £120 million from Funding Circle under its existing UK platform agreement, all of which is currently unfunded as of 31 January 2015, and US\$92 million from Funding Circle under its existing US platform agreement, of which US\$76 million was unfunded as of 31 January 2015.

Assetz Capital Limited (“Assetz”)

Assetz operates a peer-to-peer lending platform that underwrites loans to SMEs in the UK. Typical loan amounts range from £35,000 – £2,000,000 (average of £400,000), with a term of 6 months – 5 years and an interest rate of 10 per cent. to 17 per cent. Its main revenue sources are its origination fee to borrowers of 2 per cent. to 4 per cent. and its service fee to borrowers of 1 per cent. per annum.

Assetz was founded in 2012 and is based in Stockport, UK. VPC has committed to purchase whole loans of up to £150 million over five years from Assetz under its existing platform agreement, all of which was unfunded as of 31 January 2015. The platform agreement includes an entitlement to receive equity warrants in the business as whole loans are purchased.

OnDeck Capital, Inc. (“OnDeck”)

OnDeck is a provider of capital to SMEs across the US. Borrowers have an average revenue of approximately US\$950,000, an average FICO score of 660 and an average customer ticket size of US\$75.00. Typical borrowers are restaurants, retailers, healthcare providers, beauty salons and auto repair shops.

OnDeck was founded in 2006 and is headquartered in New York, US, with regional offices in Arlington, Virginia and Denver, Colorado. Under its existing platform agreement, VPC has committed to buy whole loans of up to \$60 million, of which US\$46 million was available as of 31 January 2015.

Prosper Marketplace, Inc. (“Prosper”)

Prosper operates as a peer-to-peer online lending marketplace that enables borrowers to borrow money and investors to purchase borrower notes, the proceeds of which facilitate the funding of loans made to borrowers. Borrowers then make monthly principal and interest payments, which are transferred to investors through the Platform. Average loan size is US\$13,000 with an average loan term of 35 months.

Prosper was launched in 2006 and was the first peer-to-peer marketplace lending platform in the US. It is based in San Francisco, California. Under its existing platform agreement, VPC has arranged to buy whole loans from Prosper of up to US\$100 million commencing in March 2015.

Square Inc. ("Square")

Square is a technology company that provides merchant cash advances to small businesses across the US that use the Square Reader, a mobile payment card-reading device. Square advances up to 10 per cent. of annual card sales to merchants, charging a fee of 11 per cent. to 15 per cent. of the initial amount funded, and collects 9 per cent. to 13 per cent. of each card payment until an equal amount of card receivables is transferred to Square. Advance amounts range from US\$200 to US\$60,000 and are made to a diverse mix of industries.

Square was founded in 2009, is based in San Francisco, California and has operations in the US, Canada and Japan. VPC has committed to buy whole loans of up to US\$232 million, of which US\$222 million was available as of 31 January 2015.

Upstart Holdings, Inc. ("Upstart")

Upstart is a platform that goes beyond the FICO score to finance people based on signals of their potential, including schools attended, area of study, academic performance and work history. Upstart's proprietary underwriting model identifies borrowers despite limited credit and employment experience. Upstart's revenue is generated by origination fees averaging 5 per cent., which it reimburses to the investor if the underlying loan defaults.

Upstart was founded in 2012 and is based in Palo Alto, California. Under its existing platform agreement, VPC has committed to buy whole loans of up to US\$100 million, of which US\$84 million was available as of 31 January 2015.

All of the above-mentioned Platforms have been subject to the Investment Manager's pre-investment due diligence and underwriting process as described in Part II of this document.

Dividend policy and target returns

The Company intends to distribute at least 85 per cent. of its distributable income earned in each financial year by way of dividends.

The Company will target a net dividend yield of 8.0 per cent. of the Issue Price per Ordinary Share and a net total return in excess of 10.0 per cent. per annum once the proceeds of the Issue are fully invested.

The Company expects to declare its first dividend in respect of the period from Admission to 30 June 2015 and thereafter intends to declare quarterly dividends to Shareholders with dividends declared in February, May, August and November in each year and paid within one month of being declared.

Investors should note that the target dividend, including its declaration and payment frequency, is a target only and not a profit forecast. There may be a number of factors that adversely affect the Company's ability to achieve its target dividend yield and there can be no assurance that it will be met or that any growth in the dividend will be achieved. The target dividend should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not rely on these targets in deciding whether to invest in the Ordinary Shares or assume that the Company will make any distributions at all.

In accordance with regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011, the Company will not (except to the extent permitted by those regulations) retain more than 15 per cent. of its income (as calculated for UK tax purposes) in respect of an accounting period.

Share rating management

The Board considers that it would be undesirable for the market price of the Ordinary Shares to diverge significantly from their Net Asset Value.

Premium management

In the event that the Ordinary Shares trade at a premium to NAV, the Company may issue new Ordinary Shares. The Directors have authority to issue up to 300 million Ordinary Shares immediately following Admission pursuant to the Share Issuance Programme. Please refer to Part V of this document for details about the Share Issuance Programme. Shareholders' pre-emption rights over this unissued share capital have been disapplied so that the Directors will not be obliged to offer any new Ordinary Shares to Shareholders on a *pro rata* basis. The reason for this is to retain flexibility, following Admission, to issue new Ordinary Shares to investors. No Ordinary Shares will be issued at a price less than the Net Asset Value per existing Ordinary Share at the time of their issue.

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

Treasury shares

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

Discount management

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

The Directors have the authority to make market purchases of up to 14.99 per cent. of the Ordinary Shares following the conclusion of the Issue. The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of (i) 5 per cent. above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made, or (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares. Ordinary Shares will be repurchased only at prices below the prevailing NAV per Ordinary Share, which should have the effect of increasing the NAV per Ordinary Share for remaining Shareholders.

A renewal of the authority to make market purchases will be sought from Shareholders at each annual general meeting of the Company. Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board. Any purchase of Ordinary Shares would be made only out of the available cash resources of the Company. Ordinary Shares purchased by the Company may be held in treasury or cancelled. The Directors will give consideration to repurchasing Ordinary Shares under this authority, but are not bound to do so, where the market price of an Ordinary Share trades at more than 5 per cent. below the Net Asset Value per Ordinary Share for more than three months, subject to available cash not otherwise required for working capital purposes or the payment of dividends in accordance with the Company's dividend policy.

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

C Shares

The Company may seek to raise further funds at any time through the issue of C Shares rather than Ordinary Shares. An issue of C Shares is designed to overcome the potential disadvantages for both existing and new investors, which could arise out of a conventional fixed price issue of further Ordinary Shares for cash. In particular:

- the C Shares would not convert into Ordinary Shares until at least 90 per cent. of the net proceeds of the C Share issue (or such other percentage as the Directors and Investment Manager shall agree) have been invested in accordance with the Company's investment policy (or, if earlier, nine months after the date of their issue);
- the assets representing the net proceeds of a C Share issue would be accounted for and managed as a distinct pool of assets until their conversion date. By accounting for the net proceeds of a C Share issue separately, Shareholders will not participate in a portfolio containing a substantial amount of un-invested cash before the conversion date;

- the basis on which the C Shares would convert into Ordinary Shares is such that the number of Ordinary Shares to which holders of C Shares would become entitled will reflect the relative net asset values per share of the assets attributable to the C Shares and the Ordinary Shares. As a result, the Net Asset Value per Ordinary Share can be expected to be unchanged by the issue and conversion of any C Shares; and
- the Net Asset Value of the Ordinary Shares would not be diluted by the expenses of the C Share issue, which would be borne by the C Share pool.

The Articles contain the C Share rights, full details of which are set out in paragraph 3.18 of Part IX of this document.

The Directors have authority to issue up to 300 million C Shares pursuant to the Share Issuance Programme.

Life of the Company

The Company has no fixed life but pursuant to the Articles an ordinary resolution for the continuation of the Company will be proposed at the annual general meeting of the Company to be held in 2020 and, if passed, every five years thereafter. Upon any such resolution not being passed, proposals will be put forward by the Directors within 3 months after the date of the resolution to the effect that the Company be wound up, liquidated, reconstructed or unitised.

Net Asset Value

The unaudited Net Asset Value and the Net Asset Value per Ordinary Share will be calculated by the Administrator (on the basis of information provided by the Investment Manager) on a monthly basis, as described below. The NAV will be published on a cum-income and ex-income basis through a Regulatory Information Service and will be available through the Company's website.

The Net Asset Value is the value of all assets of the Company less its liabilities to creditors (including provisions for such liabilities) determined in accordance with the Association of Investment Companies' valuation guidelines and in accordance with IFRS.

Investments in unlisted equities will be valued at fair value as determined by the Investment Manager at the date of measurement relative to comparable instruments and using a methodology based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments.

All loans and receivables will be accounted for on trade date based and at acquisition, loans are valued at the initial advance amount inclusive of any fees paid to the Platforms or, at the purchase consideration paid, if acquired from a third party.

Thereafter, where loans are to be held to maturity they will be valued at amortized cost using the Effective Interest Rate ("EIR") method. The EIR method spreads the expected net income from a loan over its expected life. The EIR is the rate of interest which, at inception, exactly discounts the future cash payments and receipts from the loan to the initial carrying amount.

Loans advanced will be assessed by the Investment Manager for indications of impairment during and at the end of each reporting period. Evidence of impairment includes: (a) significant financial difficulty of the Platform; (b) breach of contract, such as default or delinquency in interest or principal payments; and (c) probability that a borrower will enter bankruptcy or financial reorganisation.

Loans advanced will be further assessed for impairment on a collective basis even if they are assessed not to be impaired individually. Observable changes in economic conditions or changes in forecasted default or delinquency in interest or principal payments based on the Investment Manager's past experience will be applied. The level of impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the financial asset's original effective interest rate. The carrying amount is reduced directly by the applied impairment loss. Changes in the level of impairment are recognised in the profit and loss account although if in a subsequent period the previously recognised impairment loss is reversed the sum reversed is not more than that which is required to ensure that the carrying amount of the loan advance is not more than what the amortised cost would have been had the impairment not been recognised.

Where loans are held at fair value the Investment Manager will use a discounted cash flow analysis to calculate the present value of the future expected loss adjusted cash flows at a market discount rate based on observable inputs for similar investments. These changes in fair value will result in unrealized gains and loss in the profit and loss account until actual losses are incurred.

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

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

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

Any suspension in the calculation of the Net Asset Value, to the extent required under the Articles or by the Listing Rules, will be notified through a Regulatory Information Service as soon as practicable after any such suspension occurs.

Meetings, reports and accounts

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

The Company's financial statements will be prepared in accordance with IFRS.

The Takeover Code

The Takeover Code applies to the Company.

Given the existence of the buyback powers as set out in previous paragraphs, there are certain considerations that Shareholders should be aware of with regard to the Takeover Code.

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

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

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

The buyback powers could have implications under Rule 9 of the Takeover Code for Shareholders with significant shareholdings. The buyback powers should enable the Company to anticipate the possibility of such a situation arising. Prior to the Board implementing any share buyback the Board will identify any Shareholders who they are aware may be deemed to be acting in concert under note 1 of Rule 37 of the Takeover Code and will seek an appropriate waiver in accordance with note 2 of Rule 37. However, neither the Company, nor any of the Directors, nor the Investment Manager will incur any liability to any Shareholder(s) if they fail to identify the possibility of a mandatory offer arising or, if having identified such a possibility, they fail to notify the relevant Shareholder(s) or if the relevant Shareholder(s) fail(s) to take appropriate action.

Taxation

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

Risk factors

The Company's business is dependent on many factors and potential investors should read the whole of this document and in particular the section entitled "Risk Factors" on pages 14 to 24.

Part III

Directors and Management

Directors

The Directors are responsible for the determination of the Company's investment policy and strategy and have overall responsibility for the Company's activities including the review of investment activity and performance and the control and supervision of the Investment Manager.

All of the Directors are non-executive and are independent of the Investment Manager.

The Directors will meet at least four times per annum, and the Audit and Valuation Committee will meet at least twice per annum. The Directors are as follows:

Andrew Adcock (chairman)

Andrew Adcock was the Managing Partner of Brompton Asset Management LLP from January 2010 until July 2011. Prior to this, he was joint head of corporate broking at Citigroup before becoming Vice Chairman in June 2007. He was previously an Equity Partner at Lazard LLP and the Managing Director of De Zoete & Bevan Ltd.

Andrew Adcock has over 30 years of experience in the City and is currently a Non-Executive Chairman of Majedie Investments plc, a Non-Executive Director of Majedie Portfolio Management Limited, Kleinwort Benson Bank Limited, F&C Global Smaller Companies plc and JP Morgan European Investments Plc, and is a Non-Executive Director and the Chairman of the Remuneration Committee of Foxtan Group plc.

Andrew Adcock is also the chairman of the Samuel Courtauld Trust and a Director of the Courtauld Institute of Art.

Clive Peggram

Clive Peggram is currently CEO of Apex2100, a performance facility based in France. He has over 30 years of experience in financial derivatives, hedge funds and private equity. He was previously Deputy Group CEO of Financial Risk Management, a US \$10 billion institutionally focused hedge fund of fund manager. Following the sale of FRM to the Man Group, he became Chief of Staff responsible for the integration of the two businesses. He was also CEO of FRM's hedge fund seeding business, FRM Capital Advisors, which he was hired to establish in 2006.

Clive Peggram is also an experienced private equity investor. Prior to joining FRM, he was a co-founder of Comvest Limited, a private equity fund focussed on providing capital to early stage companies. Between 1988 and 1998 he was a Managing Director at Banque AIG, where he established its investment management business. Previously he worked in a number of different roles, gaining considerable experience of the developing derivative markets at Swiss Bank Corporation. He is Chairman of an Italian focused private equity fund established in 2000 and an Independent partner of Cairn Loan Investments LLP which was established in 2014.

Elizabeth Passey

Elizabeth Passey is a Senior Adviser to J Stern & Co Private Bank and a Member of the UK Board of the Big Lottery Fund. She is a past Managing Director of Morgan Stanley, past Chairman of the Board of Morgan Stanley International Foundation, as well as a past Managing Director of Investec Asset Management. She is a Member of Court of the University of Greenwich and a Trustee of the Asia Scotland Initiative.

Kevin Ingram

Kevin Ingram was an Audit Partner with PricewaterhouseCoopers LLP for 20 years until the end of 2009. He specialised in the audit of financial service businesses and the audit of investment products including Investment Trusts, Open-ended funds, Hedge funds and Private equity funds. He headed PricewaterhouseCoopers' UK Investment Funds audit practice from 2000 to 2007. He is the Chairman of the Board of Aberdeen UK Tracker Trust plc and was the Chairman of the Audit Committee of that Trust from March 2010 until he was appointed Chairman of the Board in April 2013. He is a Chartered Accountant and member of the Institute of Chartered Accountants in England and Wales. He is also a member of the Audit Committee of the Westminster Catholic Diocesan Trust.

It is proposed Kevin Ingram will chair the Audit and Valuation Committee of the Company.

Investment Manager

The Company's investment manager is Victory Park Capital Advisors, LLC.

The Investment Manager was incorporated as a limited liability company under the laws of Delaware with registration number 4343444 and is an SEC-registered investment adviser with SEC registration number 801-73676. The Investment Manager acts as the AIFM of the Company.

The Investment Manager was founded in 2007 by Richard Levy, Brendan Carroll and Matthew Ray to provide innovative and flexible financing solutions to US-based middle market companies.

Management Agreement

The Company and the Investment Manager have entered into a Management Agreement, a summary of which is set out in paragraph 7.2 of Part IX of this document, under which the Investment Manager has been given responsibility for the discretionary management of the Company's assets (including un-invested cash) in accordance with the Company's investment policy, subject to the overall control and supervision of the Directors.

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

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

Richard Levy

Richard Levy is the CEO and co-founder of the Investment Manager. He oversees VPC's investment and operational activities. He is also the chairman of VPC's management and investment committees. He serves as chairman of the board of directors of VPC portfolio companies, EMS Holdings I, Inc., Enteris Biopharma, Inc., Mi Pueblo San Jose, Inc. & Cha Cha Enterprises, Mediterranean Cuisine Holding Company, LLC, Surefire Industries USA LLC, VPC Fuller Brush Operating Corp. (The Fuller Brush Company) and VPC Pizza Operating Corp. (Giordano's). He is also a member of the board of directors of VPC portfolio companies, Reich Brothers Holdings, LLC and Silver Airways Corp. Previously, Richard Levy served as head of the Small Cap Structured Products Group and co-head of the Solutions Group at Magnetar Capital. He also co-founded and served as managing partner at Crestview Capital Partners. He received a B.A. in political science from The Ohio State University, an MBA from the Illinois Institute of Technology's Stuart School of Business and a J.D. from Chicago-Kent College of Law. He is a member of the Illinois bar (inactive). He is also chairman of the board of nonprofit, Gardeneers and an active board member of nonprofits, College Bound Opportunities and Camp Kesem.

Brendan Carroll

Brendan Carroll is a partner at VPC, which he co-founded in 2007, He is responsible for sourcing, evaluating and executing private debt and equity investment opportunities, including assisting portfolio companies with strategic initiatives. He also manages the co-investment process, fundraising and investor relations. He is a member of VPC's management and investment committees. He serves as member of the Board of Directors of VPC portfolio companies, EMS Holdings I, Inc., Enteris Biopharma, Inc. and VPC Pizza Operating Corp. (Giordano's). Previously, as a member of the Solutions Group at Magnetar Capital, he specialised in direct financings to lower middle market companies. He has held various investment banking positions at William Blair and Company and Robertson Stephens, specialising in corporate finance and mergers and acquisitions. He has also worked in various capacities for former US Senator Joseph Lieberman (I- CT). He received a B.A. with honours in government from Georgetown University and an MBA from Harvard Business School. He speaks frequently on debt and private equity investing issues and has served as a guest lecturer and panelist at the University of Chicago's Booth Global School of Business, Northwestern University's Kellogg School of Management and Harvard Business School. He is also a member of the Board of Regents at Georgetown University, the Finance Council of the Archdiocese of Chicago, the Board of Trustees at National Louis University, and Loyola Press.

Matthew Ray

Matthew Ray is a partner at VPC, which which he co-founded in 2007. He is primarily responsible for fundamental analysis, transaction execution, and portfolio management related to direct private debt and control equity

investments. He also manages business diligence, financial restructurings and workouts, operational turnarounds, value creation initiatives, and strategic alternatives for portfolio companies. He is a member of VPC's management and investment committees. He serves as the chairman of the board of directors of Silver Airways Corp. He is also a member of the board of directors of EMS Holdings I, Inc., Mediterranean Cuisine Holding Company, LLC, Surefire Industries USA LLC and VPC Fuller Brush Operating Corp. He previously served as the chairman and interim CEO of Ascent Aviation Services and Chairman of Global Employment Solutions, Inc. In 2012, The M&A Advisor selected Matthew Ray as a "40 Under 40" winner, an award recognising the top M&A, financing and turnaround professionals. He speaks frequently on the topics of distressed investing, operational improvements, and value creation strategies. He has also served as a guest lecturer at the University of Chicago's Booth Global School of Business. Previously, as a member of the Solutions Group at Magnetar Capital, he focused on direct financings to small cap and middle market companies. He also has held corporate and investment banking roles at Banc of America Securities and SG Cowen, specialising in leveraged transactions. Matthew Ray received a B.S. in finance from the Kelley School of Business at Indiana University.

Jordan Allen

Jordan Allen joined VPC in 2013 and is the chief operating officer. He oversees business operations, building upon its strong foundation and identifying further efficiencies to support its growth. He is also a member of VPC's management and investment committees. He serves as a member of the board of directors of VPC portfolio companies Reich Brothers Holdings, LLC and Mi Pueblo San Jose, Inc. & Cha Cha Enterprises. Previously, at Man Investments USA, the New York-based office of Man Group PLC, he served as co-head of North America, chief operating officer and chief financial officer. He also was president of HFR Asset Management a hedge fund and fund-of-funds managed account platform. He also served in various roles for Equity Group Investments, LLC, and as a corporate attorney at Jenner and Block. Jordan Allen received a B.S. in accounting from the University of Illinois and a J.D. from Northwestern University Law School. He is a registered CPA (inactive) in the state of Illinois and a member of the Illinois bar (inactive).

Jason Brown

Jason Brown joined VPC in 2014 as a partner and manages VPC's Los Angeles office. He is primarily responsible for sourcing, analysing, executing and management of direct private debt and equity investments in middle market companies. He also actively works on value creation initiatives and strategic alternatives for VPC's investments. He is a member of VPC's management and investment committees. He has more than 18 years of experience in financial services. Most recently, He was a managing director for GE Capital, corporate restructuring finance for more than ten years where he and his team provided growth, working capital and turnaround finance to mid-size and large companies. His team also specialised in senior secured loans to distressed companies supporting Chapter 11 filings, plan-of-reorganisations and out-of-court restructurings. Prior to GE Capital, he worked at Comerica Bank as a manager in their northern Los Angeles office and for Manufacturers Hanover in Sydney, Australia. He has served as the president of the Los Angeles chapter of the Association for Corporate Growth (ACG) where he is a current Los Angeles chapter and global board member. Jason Brown received a B.S. in business administration from the University of Southern California.

Thomas Affolter

Tom Affolter joined VPC in 2009 and is a principal. He is primarily responsible for managing the SBIC Fund while sourcing, analysing, executing and management of direct private debt and equity investments in middle market companies in the specialty finance sector. He also actively works on value creation initiatives and strategic alternatives for VPC's investments. He possesses more than 15 years of experience in middle market investing and has served in various roles encompassing workouts and turnaround management, valuation, portfolio management, structuring, underwriting, capital markets and business development. Previously, he was a director at CapitalSource and served in principal investing roles at GE Antares Capital Corp. and Heller Financial. He began his career at Ernst & Young, LLP. Thomas Affolter received a B.S. in accounting from Marquette University and an MBA from Northwestern University's Kellogg School of Management. He serves on the Leadership Advisory Board of Cristo Rey Jesuit High School in Chicago.

Gordon Watson

Gordon Watson joined VPC in 2014 and is a principal. He is primarily responsible for sourcing, analysing, executing and management of direct private debt and equity investments in the specialty finance sector. He also actively works on making investments in public debt securities in middle market companies where VPC can seek to

actively influence positive outcomes. Previously, he was a portfolio manager focused on distressed debt at GLG Partners, a London based 25 billion multi-strategy hedge fund that concentrates on a diverse range of alternative investments. He joined GLG when it purchased Ore Hill Partners, a credit focused hedge fund where he was a partner. Gordon Watson received a B.A. in political science from Colgate University and an MBA from Columbia University.

Thomas Welch

Tom Welch joined VPC in 2009 and is a vice president. He is primarily responsible for sourcing, analysing, executing and management of direct private debt and equity investments in middle market companies in the specialty finance and industrials sectors. He also actively works on value creation initiatives and strategic alternatives for VPC's investments. Previously, he served as a credit underwriter in the Cash-Flow Lending Group for CapitalSource, concentrating his investment efforts in the industrials, consumer products and business services industries. He also worked in the Global Multi-Industries Investment Banking Group at Merrill Lynch, focusing on mergers and acquisitions, leveraged finance and growth capital transactions. He received a B.S. in finance with honours from the University of Illinois. He is also a member of Chicago Professionals for Youth, which connects urban scholars with young professionals to provide one-on-one mentorship throughout the college process.

Dan Schwartz

Dan Schwartz joined VPC in 2009. He manages the San Francisco office and is primarily responsible for sourcing private debt and equity investment opportunities, including assisting portfolio companies with strategic initiatives as well as developing and maintaining existing relationships with business intermediaries including business brokers and investment banks as well as attorneys, restructuring advisors and business owners. He has more than a decade of corporate finance advisory experience with a primary focus on providing growth capital to high growth technology companies and has worked closely with Global Analytics, On Deck Capital, Prosper, and Zest Finance. As co-head of private placements at The Shemano Group, Inc. he was personally responsible for the origination, execution and funding of transactions totalling US\$350 million in consideration. In his career he has built extensive relationships within the private equity, venture capital, and hedge fund communities. Dan Schwartz received a B.A. in economics from the University of California, Santa Barbara and has been a guest lecturer at the University of San Francisco School of Law.

Track record

The Investment Manager was founded in 2007 by Richard Levy, Brendan Carroll and Matthew Ray. Its senior management team has worked together since 2005. The key investment professionals have an average investing experience of over 15 years. The Investment Manager has 33 employees and has its head office in Chicago with other offices in Los Angeles, New York, San Francisco and Boston.

Since its inception, the Investment Manager has completed approximately US\$2.5 billion of investments and commitments across 55 transactions (as of 31 December 2014). These investments include a wide range of loans to small and medium-sized business, subprime, near-prime and prime consumers, secured and unsecured debt, legal finance and other miscellaneous types of capital providers.

The Investment Manager has been involved in the specialty lending sector since 2010 and has made more than US\$1.7 billion of investments and commitments across twelve specialty finance platforms with an aggregate gross return on invested capital in excess of 24 per cent.¹¹ (19 per cent. net¹²).

The Investment Manager has experience in both direct lending and purchasing whole loans, as well as extensive knowledge of sector participants and the complex regulatory requirements needed to operate within the industry. Relying on its extensive sourcing network, the Investment Manager has executed transactions partnering with more than 35 leading financial sponsors in the sector.

¹¹ Performance as of 30 September 2014. Past performance is not necessarily indicative of future results.

¹² All prior investment performance data presented herein is for the "VPC Specialty Finance Portfolio", which is a composite of certain loan investments (plus warrant or minority equity positions relating to such investments) made by the VPC Funds (including related co-investments undertaken on behalf of certain clients), during the period of December 20, 2007 through 30 September 2014, that VPC believes are similar to the types of investments which VPC expects the Company to make. Because the VPC Specialty Finance Portfolio is a hypothetical composite and not legal partnership (or similar vehicle), no investor achieved such results. Certain definitions shall apply:

"Gross return" is calculated using the actual timing of the investment inflows and outflows and assumes realization of positions at VPC's estimate of fair value on the date set forth. The returns are annualized.

"Net return" is determined on a pro forma basis by deducting assumed estimated management fees of 1 per cent., assumed operating expenses of 1 per cent. and assumed carried interest of 15 per cent. from gross return, all of which in the aggregate have the effect of lowering the gross return.

All Gross return and net return figures are pro forma and the actual returns on the unrealized portion of the portfolio could vary dramatically as the actual proceeds may differ from the current expectation of future performance.

Administration of the Company

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

Custody arrangements

The assets of the Company will be held under the following arrangements:

All loan instruments (e.g. secured loan notes) entered into between the Company and a Platform (or a wholly owned SPV of a Platform) under the Balance Sheet Model, and all certificated and non-certificated securities, will be held with the Custodian. The Custodian is a "qualified custodian" as defined in Rule 206(4)-2 under the US Investment Advisers Act of 1940, as amended. Further information about the Custodian is contained below.

The Company's cash accounts will be held with the Company's bankers, JP Morgan Chase Bank, N.A. London Branch, England. As mentioned above, the Administrator is responsible for performing daily cash reconciliations.

Whole loans originated by a Platform and purchased under the Marketplace Model will be held by a qualified custodian with whom a Platform has partnered, if the underlying are considered securities that require custody under the US Investment Advisers Act of 1940, as amended. For instance, the custodian currently holding safe custody of the whole loans originated by Funding Circle USA is Millennium Trust Company, LLC and the custodian currently holding safe custody of the whole loans originated by OnDeck Capital, Inc. is Deutsche Bank Trust Company Americas.

The Custodian

The Custodian, Merrill Lynch, Pierce, Fenner & Smith Incorporated, is a subsidiary of Bank of America Corporation and Merrill Lynch & Co., Inc. The Custodian is a "qualified custodian" as defined in Rule 206(4)-2 under the US Investment Advisers Act of 1940, as amended. It is regulated by and subject to the supervision of the SEC.

The Custodian was incorporated on 10 November 1958 as a corporation under the laws of Delaware, United States with registration number 0529619 and its telephone number is +1 415-288-2576. Its registered office is located at 101 California Street, San Francisco, CA 94111, United States. The Custodian maintains its registered office and place of central administration in the United States.

The Custodian is not involved, directly or indirectly, with the business affairs, organisation, sponsorship or management of the Company and is not responsible for the preparation of this document and accepts no responsibility for any information contained in this document.

Under the Custodian Agreement, the Custodian is entitled to engage its affiliates and other members of the Bank of America Corporation and Merrill Lynch & Co., Inc group to provide services under the Custodian Agreement to the Company. Details of the Custodian Agreement are set out in paragraph 7.5 of Part IX of this document.

Fees and expenses

Formation and initial expenses

The formation and initial expenses of the Company are those which are necessary for the incorporation of the Company, Admission and the Issue. These expenses include fees and commissions payable under the Placing Agreement, admission fees, printing, legal and accounting fees and any other applicable expenses which will be met by the Company and paid on or around Admission out of the gross proceeds of the Issue.

The costs and expenses of the Issue (including all fees, commissions and expenses payable to the Bookrunner) will be paid by the Company. Such costs and expenses have been capped at £5 million, equivalent to 2 per cent. of the gross proceeds of the Issue, assuming the maximum gross proceeds of £250 million are raised under the Issue. The Investment Manager has agreed to pay any costs and expenses in excess of 2 per cent. of the gross proceeds of the Issue plus the Share Issuance Programme.

On-going annual expenses

On-going annual expenses will include the following:

- (i) Investment Manager

Management Fee

Under the terms of the Management Agreement, the Investment Manager is entitled to a management fee and a performance fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties.

The management fee is payable in pounds sterling monthly in arrears and is at the rate of 1/12 of 1.0 per cent. per month of Net Asset Value (the "Management Fee"). For the period from Admission until the date on which 90 per cent. of the net proceeds of the Issue have been invested or committed for investment (other than in Cash Instruments), the value attributable to any Cash Instruments of the Company held for investment purposes will be excluded from the calculation of Net Asset Value for the purposes of determining the Management Fee.

Where there are C Shares in issue, the Management Fee will be charged on the net assets attributable to the Ordinary Shares and the C Shares respectively.

The Management Fee will be calculated and payable monthly in arrears.

The Investment Manager shall not charge a management fee twice. Accordingly, if at any time the Company invests in or through any other investment fund or special purpose vehicle and a management fee or advisory fee is charged to such investment fund or special purpose vehicle by the Investment Manager or any of its affiliates, the Investment Manager agrees to (and shall procure that all of its relevant affiliates shall) either (at the option of the Investment Manager):

- (i) waive such management fee or advisory fee due to the Investment Manager or any of its affiliates in respect of such investment fund or special purpose vehicle, other than the fees charged by the Investment Manager under the Management Agreement; or
- (ii) charge the relevant fee to the relevant investment fund or special purpose vehicle, subject to the cap set out in the paragraph below, and ensure that the value of such investment shall be excluded from the calculation of the Net Asset Value for the purposes of determining the Management Fee payable pursuant to the above.

In scenario (ii) above, where such investment fund or special purpose vehicle employs leverage from third parties and the Investment Manager or any of its affiliates is entitled to charge it a fee based on gross assets in respect of such investment, the Investment Manager may not charge a fee greater than 1.0 per cent. per annum of gross assets in respect of any investment made by the Company or any member of its group.

Performance fee

The Investment Manager is also entitled to a performance fee paid in pounds sterling calculated by reference to the movements in the Adjusted Net Asset Value (as defined below) over the High Water Mark. The "High Water Mark" shall be equal to (a) the gross proceeds of the Issue at Admission and (b) where a performance fee is subsequently earned, the Net Asset Value at the end of the Calculation Period at which the latest performance fee is earned.

The performance fee will be calculated in respect of each twelve month period starting on 1 January and ending on 31 December in each calendar year (a "Calculation Period"), save that the first Calculation Period shall be the period commencing on Admission and ending on 31 December 2015 and provided further that if at the end of what would otherwise be a Calculation Period no Performance Fee has been earned in respect of that period, the Calculation Period shall carry on for the next 12 month period and shall be deemed to be the same Calculation Period and this process shall continue until a Performance Fee is next earned at the end of the relevant period.

The performance fee will be a sum equal to 15 per cent. of such amount (if positive) and will only be payable if the Adjusted Net Asset Value at the end of a Calculation Period exceeds the High Water Mark. The performance fee shall be payable to the Investment Manager in arrears within 30 calendar days of the end of the relevant Calculation Period.

“Adjusted Net Value” means the Net Asset Value adjusted for: (i) any increases or decreases in Net Asset Value arising from issues or repurchases of Ordinary Shares during the relevant Calculation Period; (ii) adding back the aggregate amount of any dividends or distributions (for which no adjustment has already been made under (i)) made by the Company at any time during the relevant Calculation Period; (iii) before deduction for any accrued performance fees.

The Investment Manager shall not charge a performance fee twice. Accordingly, if at any time the Company invests in or through any other investment fund, special purpose vehicle or managed account arrangement and a performance fee or carried interest is charged to such investment fund, special purpose vehicle or managed account arrangement by the Investment Manager or any of its affiliates, the Investment Manager agrees to (and shall procure that all of its relevant affiliates shall) either (at the option of the Investment Manager):

- (i) waive such performance fee or carried interest suffered by the Company by virtue of the Investment Manager’s (or such relevant affiliate’s/affiliates’) management of (or advisory role in respect of) such investment fund, special purpose vehicle or managed account, other than the fees charged by the Investment Manager under the Management Agreement; or
- (ii) calculate the performance fee as above, except that in making such calculation the Net Asset Value (as of the date of the High Water Mark) and the Adjusted Net Asset Value (as of the NAV calculation date) shall not include the value of any assets invested in any other investment fund, special purpose vehicle or managed account arrangement that is charged a performance fee or carried interest by the Investment Manager or any of its affiliates (and such performance fee or carried interest is not waived with respect to the Company).

In the event that C Shares are in issue, the Investment Manager shall be entitled to a performance fee in respect of the assets referable to the C Shares on the same basis as summarised above. A calculation period shall be deemed to end on the date of their conversion into Ordinary Shares.

The Investment Manager reserves the right to pay commission to certain investors out of the fees payable to it under the Management Agreement.

(ii) *Administrator*

Under the terms of the Administration Agreement, the Administrator is entitled to a fee ranging from 0.04 per cent. to 0.07 per cent. of the NAV of the Company per annum.

(iii) *Company Secretary*

Under the terms of the Company Secretarial Agreement, the Company Secretary is entitled to an annual fee of £50,000, plus VAT and disbursements.

(iv) *Registrar*

Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee of £1.25 per Shareholder account per annum, subject to a minimum fee of £2,500 per annum, exclusive of VAT.

(v) *Custodian*

Under the terms of the Custodian Agreement, the Custodian is entitled to be paid a fee of between US\$180 and US\$500 per annum per holding of securities in an entity (depending on the type of entity). In addition, the Custodian is entitled to be paid fees of up to US\$300 per account per annum (but subsequent fees will be charged at US\$150 per account annually) and other incidental fees.

(vi) *Directors*

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Save for the Chairman of the Board, the fees are £30,000 for each Director per annum. The Chairman's fee is £50,000 per annum. The chairman of the Audit and Valuation Committee may also receive additional fees for acting as the chairmen of such a committee. The current fee for serving as the chairman of the Audit and Valuation Committee is £5,000 per annum.

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

(vii) *Other operational expenses*

Other on-going operational expenses (excluding fees paid to service providers as detailed above) of the Company will be borne by the Company including printing, audit, finance costs, due diligence and legal fees. All reasonable out of pocket expenses of the Investment Manager, the Administrator, the Company Secretary, the Registrar, the Custodian and its sub-custodian(s) (if any) and the Directors relating to the Company will be borne by the Company.

Conflicts of interest

The Investment Manager will treat all of the Company's investors fairly and will not allow any investor to obtain preferential treatment, except that the Investment Manager reserves the right to pay commission to certain investors out of the fees payable to it under the Management Agreement. The Investment Manager and its officers and employees may from time to time act for other clients or manage Other VPC Funds, which may have similar investment objectives and policies to that of the Company and may invest in similar types of investments to those of the Company. Circumstances may arise where investment opportunities will be available to the Company which are also suitable for one or more of such clients of the Investment Manager or such other funds, accounts or products. Furthermore, the Investment Manager and its affiliates are currently conducting, and may in the future conduct, capital raisings for Other VPC Funds at the same time as it/they conduct any capital raisings for the Company. The Investment Manager will (and will procure at its affiliates will) at all times adhere to the Investment Manager's conflicts of interest and investment allocations policies in effect at the time.

The Directors have satisfied themselves that the Investment Manager has procedures in place to address potential conflicts of interest and that, where a conflict arises, the Investment Manager will allocate the opportunity on a fair and equitable basis in accordance with its conflicts of interest and investment allocation policies in effect at the time.

In addition, the Investment Manager may cause the Company to enter into transactions between or involving Other VPC Funds. In these instances, the Investment Manager will engage third party service providers to opine and review these transactions. The service providers will check that the pricing applied in the transaction represents fair value and the transaction is executed in a manner consistent with terms that would reasonably be expected in transactions between third parties. Furthermore, this information will be provided to the Directors for their review and approval prior to entering into the transaction.

Corporate governance

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

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to Shareholders.

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

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company, and the Company does not therefore comply with them.

The Company's Audit and Valuation Committee, which will be chaired by Kevin Ingram and be comprised of the entire Board, will meet at least twice a year. The Board considers that the members of the Audit and Valuation Committee have the requisite skills and experience to fulfil the responsibilities of the Audit and Valuation Committee. The Audit and Valuation Committee will examine the effectiveness of the Company's control systems. It will review the half-yearly and annual reports and also receive information from the Investment Manager. It will also review the scope, results, cost effectiveness, independence and objectivity of the external auditor and be responsible for monitoring the Company's valuation policies and methods.

In accordance with the AIC Code the Company has established a Management Engagement Committee which will be chaired by Clive Peggram and be comprised of the entire Board. The Management Engagement Committee will meet at least once a year or more often if required. Its principal duties will be to consider the terms of appointment of the Investment Manager and it will annually review that appointment and the terms of the Management Agreement.

The Company has also established a Nominations Committee which will be chaired by Andrew Adcock and be comprised of the entire Board. The Nominations Committee will meet at least once a year or more often if required. Its principal duties will be to consider the framework and policy for the remuneration of the Directors and to review the structure, size and composition of the Board on an annual basis.

Part IV

Issue Arrangements

Introduction

The Company is targeting to raise £200 million, before expenses, through the Placing and Offer of 200 million Ordinary Shares at a price of £1 per Ordinary Share. The target size of the Issue is £200 million, although if excess demand is received, the Directors reserve the right to increase the size of the Issue up to a maximum of £250 million. The Issue is not being underwritten.

The aggregate proceeds of the Issue, after deduction of expenses, are expected to be approximately £196 million (on the assumption that gross proceeds of £200 million are raised through the Issue).

The actual number of Ordinary Shares to be allotted and issued pursuant to the Issue is not known as at the date of this document but will be notified by the Company via an RNS announcement and the Company's website, prior to Admission. The announcement of the allotment shall include details of the number of Ordinary Shares allotted. The target Issue size should not be taken as an indication of the number of Ordinary Shares to be issued.

The Placing

Jefferies has agreed to use its reasonable endeavours to procure subscribers pursuant to the Issue for the Placing Shares on the terms and subject to the conditions set out in the Placing Agreement. Details of the Placing Agreement are set out in paragraph 7.1 of Part IX of this document.

The terms and conditions which shall apply to any subscription for Ordinary Shares procured by Jefferies are set out in Part VI of this document. The Placing will close at 3.00 p.m. on 12 March 2015 (or (i) such later date, not being later than 31 March 2015, as the Company and Jefferies may agree, or (ii) any earlier date on which the Issue is fully subscribed). If the Placing is extended, the revised timetable will be notified through a Regulatory Information Service.

Each placee agrees to be bound by the Articles once the Ordinary Shares, which the placee has agreed to subscribe for pursuant to the Placing, have been acquired by the placee. The contract to subscribe for Ordinary Shares under the Placing and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Jefferies, the Company, the Investment Manager 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.

The Offer

The Ordinary Shares are being made available under the Offer at the Issue Price, subject to the terms and conditions of application under the Offer set out in Part VII of this document. These terms and conditions, and the Application Form attached as the Appendix to this document, should be read carefully before an application is made. The Offer will close at 11.00 a.m. on 12 March 2015 (or (i) such later date, not being later than 31 March 2015, as the Company and Jefferies may agree, or (ii) any earlier date on which the Issue is fully subscribed). If the Offer is extended, the revised timetable will be notified through a Regulatory Information Service.

Applications under the Offer must be for shares with a minimum subscription amount of £10,000 and thereafter in multiples of £1,000.

Completed Application Forms accompanied by a cheque or banker's draft in relation to the Offer must be posted or delivered by hand (during normal business hours) to the Receiving Agent, Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received as soon as possible and, in any event, no later than 11.00 a.m. on 12 March 2015. It is expected that the results of the Issue will be notified through a Regulatory Information Service on 13 March 2015.

Applicants choosing to settle via CREST, that is delivery versus payment (DVP), applicants need to match their instructions to the Receiving Agent's Participant account RA06 by no later than 11.00 a.m. on 17 March 2015,

allowing for the delivery and acceptance of Ordinary Shares to be made against payment of the Issue Price per Ordinary Share, following the CREST matching criteria set out in the Application Form. Applicants must also ensure that they or their settlement agent/custodian have a sufficient “debit cap” within the CREST system to facilitate settlement in addition to their own daily trading and settlement requirements. In the event of late CREST settlement, the Company, after having consulted with the Receiving Agent, reserves the right to deliver Ordinary Shares outside CREST in certificated form provided payment has been made in terms satisfactory to the Company and all other conditions in relation to the Offer have been satisfied.

Please also refer to the section below in this Part IV headed “CREST”.

Conditions

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

- (i) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission;
- (ii) Admission occurring by 8.00 a.m. on 17 March 2015 (or such later date, not being later than 8.00 a.m. on 31 March 2015, as the Company and Jefferies may agree); and
- (iii) the Minimum Net Proceeds being raised under the Issue.

If the Issue does not proceed, application monies received under the Issue will be returned to applicants without interest at the applicants’ risk.

In the event that the Company, in consultation with the Investment Manager and Jefferies, wishes to waive condition (iii) referred to above, the Company will be required to publish a supplementary prospectus.

Scaling back

In the event that commitments under the Placing and valid applications under the Offer exceed the maximum number of Ordinary Shares available, applications under the Placing and Offer will be scaled back at the Company’s discretion (in consultation with Jefferies) and thereafter no further commitments or applications will be accepted and the Issue will be closed.

The Placing Agreement

A summary of the terms of the Placing Agreement is set out in paragraph 7.1 of Part IX of this document.

General

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

Admission, clearing and settlement

Application has been made to the UK Listing Authority for all of the Ordinary Shares to be issued pursuant to the Issue 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. It is expected that Admission will become effective and dealings will commence on 17 March 2015.

Ordinary Shares will be issued in registered form and may be held in either certificated or uncertificated form. In the case of Ordinary Shares to be issued in uncertificated form pursuant to the Issue, these will be transferred to successful applicants through the CREST system.

Where applicable, definitive share certificates in respect of the Ordinary Shares are expected to be despatched, by post at the risk of the recipients, to the relevant holders, in the week beginning 23 March 2015. Prior to the despatch of definitive share certificates in respect of any Ordinary Shares which are held in certificated form, transfers of those Ordinary Shares will be certified against the Register. No temporary documents of title will be issued.

The ISIN number of the Ordinary Shares is GBO0BVG6X439 and the SEDOL code is BVG6X43.

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

CREST

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

Use of proceeds

The Directors intend to use the net proceeds of the Issue to acquire investments in accordance with the Company's investment objective and investment policy, including for working capital purposes. The Directors anticipate being substantially fully invested within a six month period following Admission.

Profile of typical investor

The Issue is designed to be suitable for institutional investors and professionally-advised private investors seeking exposure to alternative finance investments and related instruments. The Ordinary Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in Ordinary Shares in the Issue.

Overseas Persons

No action has been taken to permit the distribution of this document in any jurisdiction outside the United Kingdom where such action is required to be taken. This document may not therefore be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Accordingly, no person receiving a copy of this document in any territory other than the United Kingdom, may treat the same as constituting an offer or invitation to him to acquire, subscribe for or purchase Ordinary Shares nor should he in any event acquire, subscribe for or purchase Ordinary Shares unless such an invitation, acquisition, subscription or purchase complies with any registration or other legal requirements in the relevant territory. Any person outside the United Kingdom wishing to acquire, subscribe for or purchase Ordinary Shares should satisfy himself that, in doing so, he complies with the laws of any relevant territory, and that he obtains any requisite governmental or other consents and observes any other applicable formalities.

Persons (including, without limitation, nominees and trustees) receiving this document must not distribute or send it to any US Person or into United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the US Investment Company Act and the offer, issue and sale of the Ordinary Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States. The Shares are only being offered hereby for sale outside the United States to non-US Persons in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S thereunder. Without the consent of the Directors, which may be withheld at their sole discretion, the Ordinary Shares may not be offered, sold, pledged or otherwise transferred to (i) any US Person or a person acting for the account of a US Person or (ii) a Benefit Plan Investor.

The Articles contain provisions designed to restrict the holding of Ordinary Shares by persons, including US Persons, where in the opinion of the Directors such a holding could cause or be likely to cause the Company some legal, regulatory, pecuniary, tax or material administrative disadvantage.

Each transferee of a share in the Company is deemed to have represented and warranted to the Company that it is (i) not a Benefit Plan Investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as “plan assets” of any Benefit Plan Investor and (ii) is not a US Person, located in the United State or acquiring the shares for the account or benefit of a US Person, as the current draft of the articles provide and (b) any person described in the preceding clauses (i) or (ii) who acquires a share in the Company will be in breach of this representation and warranty to the Company.

Investors should additionally consider the provisions set out under the heading “Important Notices” at the beginning of this document.

Part V

The Share Issuance Programme

Following the Issue, the Directors intend to implement the Share Issuance Programme (it being a programme of Subsequent Placings of Shares in the form of Ordinary Shares and/or C Shares). The Directors are authorised to issue up to 300 million Ordinary Shares and/or C Shares in aggregate pursuant to the Share Issuance Programme without having to first offer those Shares to existing Shareholders. The Share Issuance Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Shares over a period of time. The Share Issuance Programme is being implemented to enable the Company to raise additional capital in the period from 26 February 2015 to 25 February 2016 once the proceeds of the Issue have been fully invested. The Share Issuance Programme is intended to satisfy market demand for Shares and to raise further money after the Issue to increase the size of the Company and invest in accordance with the Company's investment policy.

In using their discretion under the Share Issuance Programme, the Directors may also take into account 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 Net Asset Value per Ordinary Share.

The actual number of Ordinary Shares / C Shares to be issued pursuant to a Subsequent Placing under the Share Issuance Programme is not known as at the date of this document but will be notified by the Company via an RNS announcement and the Company's website, prior to Admission of the relevant Shares to be issued pursuant to such Subsequent Placing.

The maximum number of Shares available under the Share Issuance Programme should not be taken as an indication of the number of Shares finally to be issued.

The Share Issuance Programme will open on 26 February 2015 and will close on 25 February 2016 (or any earlier date on which it is fully subscribed, or otherwise at the discretion of the Directors).

Shares will, subject to the Company's decision to proceed with an allotment at any given time, be made available at the Share Issuance Programme Price to investors.

C Shares will be issued at the price of £1 per C Share. No Ordinary Shares will be issued at a discount to the cumulative Net Asset Value per Ordinary Share at the time of the relevant allotment. The Company will not issue any 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 Shareholder approval.

The allotment of Shares (including as to the proportion of Ordinary Shares and C Shares to be allotted) under the Share Issuance Programme is at the discretion of the Directors. Allotments may take place at any time prior to the final closing date of 25 February 2016 (or any earlier date on which it is fully subscribed). An announcement of each allotment will be released through a Regulatory Information Service, including details of the number of Ordinary Shares and/or C Shares allotted and the Share Issuance Programme Price for the allotment.

So far as the Directors are aware as at the date of this document, no members of the Company's management, supervisory or administrative bodies intend to make a commitment for any Shares under the Share Issuance Programme.

There is no minimum subscription. The Share Issuance Programme is not being underwritten and, as at the date of this document, the actual number of Shares to be issued under the Share Issuance Programme is not known.

The net proceeds of the Share Issuance Programme are dependent, *inter alia*, on: the Directors determining to proceed with a Subsequent Placing under the Share Issuance Programme, the level of subscriptions received and the price at which such Ordinary Shares and/or C Shares are issued. It is expected that the costs of issuing Ordinary Shares under the Share Issuance Programme will be covered by issuing such Ordinary Shares at the Share Issuance Programme Price. The costs and expenses of any issue of C Shares under the Share Issuance Programme will be paid out of the gross proceeds of such issue and will be borne by holders of C Shares only.

The rights attaching to C Shares, including the rights as to conversion into Ordinary Shares, are described in paragraph 3.18 of Part IX of this document.

Scaling back

In the event of oversubscription of the Issue or of a Subsequent Placing, applications under the Issue or under a Subsequent Placing will be scaled back at the Company's discretion (in consultation with Jefferies).

The Placing Agreement and Conditions

Under the Placing Agreement between the Company, the Investment Manager, the Directors and Jefferies, Jefferies has undertaken, as agent for the Company, to use its reasonable endeavours to procure subscribers under the Share Issuance Programme for Shares at the Share Issuance Programme Price. Details of the Placing Agreement are set out in paragraph 7.1 of Part IX of this document.

Each allotment and issue of Shares pursuant to a Subsequent Placing under the Share Issuance Programme is conditional, *inter alia*, on the Admission of those Shares by 8.00 a.m. on such date as the Company and Jefferies may agree from time to time in relation to that subsequent Admission, a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules and the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission.

In circumstances in which the conditions to a Subsequent Placing are not fully met, the relevant issue of Shares pursuant to the Share Issuance Programme will not take place.

The Share Issuance Programme Price

Subject to the requirements of the Listing Rules, the minimum price at which the Ordinary Shares will be issued pursuant to the Share Issuance Programme, which will be in Sterling, will be calculated by reference to the estimated prevailing diluted Net Asset Value of the existing Ordinary Shares (cum-income) together with a premium sufficient to cover the costs and expenses of issuing such Ordinary Shares (including, without limitation, any placing commissions). Fractions of Ordinary Shares will not be issued.

C Shares will be issued at the price of £1 per C Share.

The Share Issuance Programme Price will be announced through RNS as soon as practicable in conjunction with each Subsequent Placing.

Voting Dilution regarding the Ordinary Shares

If 300 million Ordinary Shares are issued pursuant to the Share Issuance Programme, assuming the Issue has been subscribed as to 200 million Ordinary Shares, there would be a dilution of approximately 60 per cent. in Shareholders' voting control of the Company immediately after the Issue.

General

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

Admission, clearing and settlement

The Share Issuance Programme may have a number of closing dates in order to provide the Company with the ability to issue Ordinary Shares and/or C Shares over the duration of the Share Issuance Programme. Ordinary Shares and/or C Shares may be issued under the Share Issuance Programme from 8.00 a.m. on 26 February 2015 until 8.00 a.m. on 25 February 2016.

Application will be made to the UK Listing Authority and the London Stock Exchange for all of the Ordinary Shares and/or C Shares issued pursuant to the Share Issuance Programme to be admitted to the premium segment of the

Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that any subsequent Admissions pursuant to Subsequent Placings under the Share Issuance Programme will become effective and dealings will commence between 26 February 2015 and 25 February 2016. All Shares issued pursuant to the Share Issuance Programme will be allotted conditionally on such Admission occurring.

This document has, *inter alia*, been published in order to obtain Admission to the premium segment of the Official List of any Shares issued pursuant to any Subsequent Placings under the Share Issuance Programme.

In the event that there are any significant changes affecting any of the matters described in this document or where any significant new matters have arisen after the publication of this document and prior to Admission of any Ordinary Shares and/or C Shares issued pursuant to the Share Issuance Programme, the Company will publish a supplementary prospectus. Any supplementary prospectus published will give details of the significant change(s) or the significant new matter(s).

Shares will be issued in registered form and may be held in either certificated or uncertificated form. In the case of Shares to be issued in uncertificated form pursuant to a Subsequent Placing, these will be transferred to successful applicants through the CREST system.

It is anticipated that dealings in the Shares will commence approximately three Business Days after their allotment. Dealing in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. Whilst it is expected that all Shares allotted pursuant to the Share Issuance Programme will be issued in uncertificated form, if any Shares are issued in certificated form it is expected that share certificates will be despatched approximately one week following Admission of the Shares.

The ISIN number of the Ordinary Shares is GB00BVG6X439 and the SEDOL code is BVG6X43.

The ISIN number of the C Shares is GB00BVG6X652 and the SEDOL code is BVG6X65.

Any Ordinary Shares issued pursuant to the Share Issuance 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 allotment of the relevant Ordinary Shares). The Ordinary Shares will be issued in registered form.

Any C Shares issued pursuant to the Share Issuance Programme will rank *pari passu* with any C Shares then in issue. The C Shares will be issued in registered form.

CREST

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

Use of proceeds

The Directors intend to use the net proceeds of any Subsequent Placing under the Share Issuance Programme to acquire investments in accordance with the Company's investment objective and investment policy.

Profile of typical investor

Each Subsequent Placing under the Share Issuance Programme is designed to be suitable for institutional investors and professionally-advised private investors seeking exposure to alternative finance investments and related instruments. The Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in Shares in a Subsequent Placing.

Overseas Persons

The attention of potential investors in any territory other than the UK is drawn to the paragraphs below.

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

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

Persons (including, without limitation, nominees and trustees) receiving this document may not distribute or send it to any US Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the US Investment Company Act and the offer, issue and sale of the 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 or in any Restricted Jurisdiction. The Shares are only being offered hereby for sale outside the United States to non-US Persons in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S thereunder. Without the consent of the Directors, which may be withheld at their sole discretion, the Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any US Person. Investors should additionally consider the provisions set out under the heading "Important Information" at the beginning of this document.

Each transferee of a share in the Company is deemed to have represented and warranted to the Company that it is (i) not a Benefit Plan Investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as "plan assets" of any Benefit Plan Investor and (ii) is not a US Person, located in the United State or acquiring the shares for the account or benefit of a US Person, as the current draft of the articles provide and (b) any person described in the preceding clauses (i) or (ii) who acquires a share in the Company will be in breach of this representation and warranty to the Company.

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

Part VI

Terms and Conditions of Application under the Placing and under any Subsequent Placing

1 Introduction

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

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

The commitment to acquire Shares under the Placing and/or a Subsequent Placing will be agreed orally with Jefferies as agent for the Company and further evidenced in a contract note (a "**Contract Note**") or placing confirmation (a "**Placing Confirmation**").

2 Agreement to subscribe for Shares

Conditional on: (i) (in respect of the Placing) the Admission of Shares occurring and becoming effective by 8.00 a.m. on or prior to 17 March 2015 (or such later time and/or date, not being later than 8.00 a.m. on 31 March 2015, as the Company and Jefferies may agree) and (in respect of a Subsequent Placing) any Admission under a Subsequent Placing occurring not later than 8.00 a.m. on such other dates as may be agreed between the Company and Jefferies prior to the closing of each Subsequent Placing, not being later than 25 February 2016; (ii) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated on or before the date of such Admission; and (iii) Jefferies confirming to the placees their allocation of Shares, a placee agrees to become a member of the Company and agrees to subscribe for those Shares allocated to it by Jefferies at the Issue Price or the Share Issuance Programme Price, as appropriate. 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 Shares

- 3.1 Each placee must pay the relevant Issue Price or Share Issuance Programme Price for the Shares issued to the placee in the manner and by the time directed by Jefferies. If any placee fails to pay as so directed and/or by the time required, the relevant placee's application for Shares may, at the discretion of Jefferies, either be rejected or accepted and in the latter case paragraph 3.2 of these terms and conditions shall apply.
- 3.2 Each placee is deemed to agree that if it does not comply with its obligation to pay the relevant Issue Price or Share Issuance Programme Price for the Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and Jefferies elects to accept that placee's application, Jefferies may sell all or any of the Shares allocated to the placee on such placee's behalf and retain from the proceeds, for Jefferies' own account and profit, an amount equal to the aggregate amount owed by the placee plus any interest due. The placee will, however, remain liable for any shortfall below the aggregate amount owed by such placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Shares on such placee's behalf.

4 Representations and warranties

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

- (a) in agreeing to subscribe for Shares under the Placing and/or a Subsequent Placing, it is relying solely on this document 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 Placing and/or a Subsequent Placing. It agrees that none of the Company, the Investment Manager, Jefferies or the Registrar, nor any of their respective officers, agents or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- (b) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Shares under the Placing and/or a Subsequent Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all

requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Investment Manager, Jefferies 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 a Subsequent Placing;

- (c) it has carefully read and understands this document in its entirety and acknowledges that it is acquiring Shares on the terms and subject to the conditions set out in this Part VI and the Articles as in force at the date of Admission of the relevant Shares;
- (d) it has not relied on Jefferies or any person affiliated with Jefferies in connection with any investigation of the accuracy of any information contained in this document;
- (e) the content of this document is exclusively the responsibility of the Company and its Directors and neither Jefferies 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 document 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 a Subsequent Placing based on any information, representation or statement contained in this document or otherwise;
- (f) it acknowledges that no person is authorised in connection with the Placing and/or a Subsequent Placing to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Manager or Jefferies;
- (g) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);
- (h) it accepts that none of the Shares have been or will be registered under the laws of the United States, Canada, Republic of South Africa, Australia or Japan. Accordingly, the Shares may not be offered, sold, issued or delivered, directly or indirectly, within any of United States, Canada, Republic of South Africa, Australia 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 it is a person to whom the Shares may otherwise lawfully be offered under such Order or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the 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 AIFMD, that it is a person to whom the Shares may lawfully be marketed under the AIFMD or under the applicable implementing legislation (if any) of that relevant Member State;
- (k) in the case of any Shares acquired by a placee as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive (i) the Shares acquired by it in the Placing and/or a Subsequent Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive 2010/73/EU, or in circumstances in which the prior consent of Jefferies has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those 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 document nor any other offering, marketing or other material in connection with the Placing and/or a Subsequent Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Shares pursuant to the Placing and/or a Subsequent Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and 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 Shares and it is not acting on a non-discretionary basis for any such person;
- (n) if the placee is a natural person, such placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such placee's agreement to subscribe for Shares under the Placing and/or a Subsequent Placing and will not be any such person on the date any such agreement to subscribe under the Placing or a Subsequent Placing is accepted;
- (o) it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other offering materials concerning the Placing and/or a Subsequent Placing or the Shares to any persons within the United States or to any US 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 Jefferies nor any of its respective affiliates, nor any person acting on Jefferies' behalf is making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Placing and/or a Subsequent Placing or providing any advice in relation to the Placing and/or a Subsequent Placing and its participation in the Placing and/or a Subsequent Placing is on the basis that it is not and will not be a client of Jefferies and that Jefferies has no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing and/or a Subsequent Placing nor in respect of any representations, warranties, undertaking or indemnities otherwise required to be given by it in connection with its application under the Placing and/or a Subsequent Placing;
- (r) it acknowledges that where it is subscribing for Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account; (i) to subscribe for the Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this document; and (iii) to receive on behalf of each such account any documentation relating to the Placing and/or a Subsequent Placing in the form provided by the Company and/or Jefferies. It agrees that the provision of this paragraph shall survive any resale of the Shares by or on behalf of any such account;
- (s) it irrevocably appoints any director of the Company and any director of Jefferies 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 Shares for which it has given a commitment under the Placing and/or a Subsequent Placing, in the event of its own failure to do so;
- (t) it accepts that if the Placing and/or a Subsequent Placing does not proceed or the conditions to the Placing Agreement are not satisfied or the Shares for which valid applications are received and accepted are not admitted to the Official List and to trading on the London Stock Exchange for any reason whatsoever then none of Jefferies 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 a Subsequent Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering ("**Money Laundering Legislation**") and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 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) (the "**Money Laundering Directive**"), 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, Jefferies 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, Jefferies and the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Jefferies 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 and agrees that information provided by it to the Company or the Registrar will be stored both on the Registrar's and the Administrator's computer system and manually. It acknowledges and agrees that for the purposes of all relevant data protection legislation which may be applicable (the "**Data Protection Law**"), the Registrar is required to specify the purposes for which it will hold personal data. The Registrar and the Administrator will only use such information for the purposes set out below (collectively, the "**Purposes**"), being to:
 - (i) process its personal data (including sensitive personal data) as required by or in connection with its holding of 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 Shares;
 - (iii) provide personal data to such third parties as the Registrar or the Administrator may consider necessary in connection with its affairs and generally in connection with its holding of Shares or as the Data Protection Law may require;
 - (iv) without limitation, provide such personal data to the Company or the Investment Manager and each of their respective associates for processing; and
 - (v) process its personal data for the Registrar's or the Administrator's internal administration.
- (x) in providing the Registrar and the Administrator with information, it hereby represents and warrants to the Registrar and the Administrator that it has obtained the consent of any data subject to the Registrar and the Administrator and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out in paragraph (w) above);
- (y) Jefferies 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 each of them;
- (z) the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that Jefferies and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Shares are no longer accurate, it shall promptly notify Jefferies and the Company;
- (aa) where it or any person acting on behalf of it is dealing with Jefferies, any money held in an account with Jefferies on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Jefferies to segregate such money, as that money will be held by Jefferies under a banking relationship and not as trustee;
- (bb) any of its clients, whether or not identified to Jefferies, will remain its sole responsibility and will not become clients of Jefferies for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- (cc) it accepts that the allocation of Shares shall be determined by Jefferies in its absolute discretion but in consultation with the Company and that Jefferies may scale down any commitments for this purpose on such basis as it may determine;
- (dd) time shall be of the essence as regards its obligations to settle payment for the Shares and to comply with its other obligations under the Placing and/or a Subsequent Placing;
- (ee) its commitment to acquire Shares will be agreed orally with Jefferies as agent for the Company and that a Contract Note or Placing Confirmation will be issued by Jefferies as soon as possible thereafter. That oral confirmation will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a placee) in favour of the Company and Jefferies to subscribe for the number of Shares

allocated to it at the Issue Price or the Share Issuance Programme Price on the terms and conditions set out in this Part VI and, as applicable, in the Contract Note or Placing Confirmation. Except with the consent of Jefferies, such oral commitment will not be capable of variation or revocation after the time at which it is made; and

- (ff) its allocation of Shares under the Placing and any Subsequent Placing will be evidenced by the Contract Note or Placing Confirmation, as applicable, confirming: (i) the number of Shares that such placee has agreed to subscribe for; (ii) the aggregate amount that such placee will be required to pay for such Shares; and (iii) settlement instructions to pay Jefferies as agent for the Company. The terms of this Part VI will be deemed to be incorporated into that Contract Note or Placing Confirmation.

5 United States purchase and transfer restrictions

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

- (gg) it is not a US Person and it is acquiring the Shares in an offshore transaction meeting the requirements of Regulation S and it is not acquiring the Shares for the account or benefit of a US Person;
- (hh) it acknowledges that the Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons absent registration or an exemption from registration under the Securities Act;
- (ii) 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;
- (jj) unless the Company expressly consents otherwise in writing, no portion of the assets used to purchase, and no portion of the assets used to hold, the 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 Tax Code. In addition, if a placee is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Tax Code, its purchase, holding, and disposition of the Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- (kk) if any 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:

“VPC SPECIALTY LENDING INVESTMENTS PLC (THE “COMPANY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED. IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.”;

- (ll) if in the future the placee decides to offer, sell, transfer, assign or otherwise dispose of its 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;
- (mm) it is purchasing the 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 Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;

- (nn) it acknowledges that the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person's status under US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under US securities laws to transfer such Shares or interests in accordance with the Articles;
- (oo) it acknowledges and understands that the Company is required to comply with FATCA and agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA;
- (pp) it is entitled to acquire the 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 Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Manager, Jefferies 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 a Subsequent Placing or its acceptance of participation in the Placing and/or a Subsequent Placing;
- (qq) it has received, carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the Shares to within the United States or to any US Persons, nor will it do any of the foregoing; and
- (rr) if it is acquiring any Shares as a fiduciary or agent for one or more accounts, the placee has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

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

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

6 Supply and disclosure of information

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

7 Miscellaneous

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

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

Each placee agrees to be bound by the Articles once the Shares, which the placee has agreed to subscribe for pursuant to the Placing and/or a Subsequent Placing, have been acquired by the placee. The contract to subscribe for Shares under the Placing and/or a Subsequent Placing and the appointments and authorities mentioned in this document and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, the Investment Manager, Jefferies 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 Shares under the Placing and/or a Subsequent Placing, references to a “placee” in these terms and conditions are to each of the placees who are a party to that joint agreement and their liability is joint and several.

Jefferies and the Company expressly reserve the right to modify the Placing and/or a Subsequent Placing (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Placing and/or a Subsequent Placing 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 Part IX of this document.

Part VII

Terms and Conditions of Application under the Offer

1 Introduction

Ordinary Shares are available under the Offer at a price of £1 per Ordinary Share. The Ordinary Shares will, when issued and fully paid, include the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

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

2 Effect of application

2.1 Offer to acquire shares

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

- (a) offer to subscribe for such number of Ordinary Shares specified in Box 1 on your Application Form, or any smaller number for which such application is accepted, at the Issue Price on the terms, and subject to the conditions, set out in this document, including the terms and conditions of application under the Offer contained in this Part VII and the Articles;
- (b) agree that, in consideration for the Company agreeing that it will not offer any Ordinary Shares to any person other than by means of the procedures referred to in this document, your application may not be revoked, subject to your statutory right of withdrawal in the event of publication of a supplementary prospectus by the Company, and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by the Receiving Agent of your Application Form at Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
- (c) undertake to pay the subscription amount specified in Box 1 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Ordinary Shares applied for in certificated form or be entitled to commence dealing in Ordinary Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent, the Company and Jefferies against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Ordinary Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by a cheque drawn on a branch of a UK clearing bank to the bank account name from which they were first received at your risk of any proceeds of the remittance which accompanied your Application Form, without interest);
- (d) agree that, where on your Application Form a request is made for Ordinary Shares to be deposited into a CREST account (i) the Receiving Agent may in its absolute discretion amend the form so that such Ordinary Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST account or in receiving your remittance in cleared funds) and (ii) the Receiving Agent, the Company or Jefferies may authorise your financial adviser or whoever he or she may direct to send a document of title for or credit your CREST account in respect of, the number of Ordinary Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Application Form;
- (e) agree, in respect of applications for Ordinary Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph (d) of this paragraph 2.1 to issue Ordinary

Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled (and any monies returnable to you) may be retained by the Receiving Agent:

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

2.2 **Acceptance of your offer**

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

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

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

All payments must be in Pounds Sterling and cheques or bankers' drafts should be made payable to "**Capita Registrars Limited Re: VPC Specialty Lending Investments PLC Offer for Subscription A/C**". Cheques or bankers' drafts must be drawn on an account where the applicant has sole or joint-title to the funds and on an account at a branch of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and bankers' drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner. Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the building society cheque or bankers' draft to such effect. Please do not send cash. Cheques or bankers' drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and bankers' drafts to allow the Company to obtain value for remittances at the earliest opportunity. It is a term of the Offer for Subscription that cheques shall be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured.

2.3 **Conditions**

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

- (a) Admission occurring by 8.00 a.m. on 17 March 2015 (or such later date as the Company and Jefferies may agree (not being later than 31 March 2015));
- (b) the Placing Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission; and
- (c) the Minimum Net Proceeds being raised under the Issue.

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

2.4 **Return of Application Monies**

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto, without interest. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

2.5 **Warranties**

By completing an Application Form, you:

- (a) undertake and warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- (b) warrant, if the laws of any territory or jurisdiction outside the UK are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the UK in connection with the Offer in respect of your application;
- (c) confirm that (save for advice received from your financial adviser (if any)) in making an application you are not relying on any information or representations in relation to the Company other than those contained in this document (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 thereof shall have any liability for any such other information or representation;
- (d) 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 this document;
- (e) acknowledge that no person is authorised in connection with the Offer to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, Jefferies or the Receiving Agent;
- (f) warrant that you are not under the age of 18 on the date of your application;
- (g) agree that all documents and monies sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first-named holder) as set out in your Application Form;
- (h) confirm that you have reviewed the restrictions contained in paragraph 2.7 below and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or complied with the provisions therein;
- (i) agree that, in respect of those Ordinary Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the Register;
- (j) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (k) irrevocably authorise the Company, Jefferies or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by or issued to you into your name and authorise any representatives of the Company and/or Jefferies and/or the Receiving Agent to execute any documents required therefor and to enter your name on the Register;
- (l) agree to provide the Company with any information which it, Jefferies or the Receiving Agent may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the Money Laundering Regulations;

- (m) warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, Jefferies or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your application;
- (n) agree that Jefferies and the Receiving Agent are acting for the Company in connection with the Offer and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the Ordinary Shares or concerning the suitability of the Ordinary Shares for you or be responsible to you for the protections afforded to their customers;
- (o) warrant that the information contained in the Application Form is true and accurate; and
- (p) agree that if you request that Ordinary Shares are issued to you on a date other than Admission and such Ordinary Shares are not issued on such date that the Company and its agents and Directors will have no liability to you arising from the issue of such Ordinary Shares on a different date.

2.6 ***Money Laundering***

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

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

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

Without prejudice to the generality of this paragraph 2.6, verification of the identity of holders and payors will be required if the value of the Ordinary Shares applied for, whether in one or more applications considered to be connected, exceeds €15,000 (approximately £12,500). If, in such circumstances, you use a building society cheque or banker’s draft you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque or banker’s draft and adds its stamp. If, in such circumstances, the person whose account is being debited is not a holder you will be required to provide for both the holder and payor an original or copy of that person’s passport or driving licence certified by a solicitor and an original or certified copy of two of the following documents, no more than 3 months old, a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressee’s risk) together with a signed declaration as to the relationship between the payor and you, the applicant.

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

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

If the amount being subscribed exceeds €15,000 (approximately £12,500) you should endeavour to have the declaration contained in section 7 of the Application Form signed by an appropriate firm as described in that section.

2.7 ***Non United Kingdom investors***

If you receive a copy of this document or an Application Form in any territory other than the UK you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form

unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the UK and wish to make an application for Ordinary Shares under the Offer, to satisfy yourself as to full observance of the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

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

2.8 ***The Data Protection Act***

Pursuant to The Data Protection Act 1998 (the "DP Act") the Company and/or the Registrar, may hold personal data (as defined in the DP Act) relating to past and present Shareholders.

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

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

2.9 ***Miscellaneous***

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

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

The Company reserves the right to extend the closing time and/or date of the Offer from 11.00 a.m. on 12 March 2015. In that event, the new closing time and/or date will be notified through a Regulatory Information Service.

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

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

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

If you have any questions relating to this document, and the completion and return of the Application Form, please telephone Capita Asset Services between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Issue or anything under this document nor give any financial, legal or tax advice.

Part VIII

UK Taxation

Introduction

The following statements do not constitute tax advice and are intended only as a general guide to current UK tax law and HMRC's published practice as at the date of this document (both of which are subject to change at any time, possibly with retrospective effect). The statements refer only to certain limited aspects of the UK tax treatment of Shareholders that are resident and (in the case of individuals only, domiciled) in the UK for UK tax purposes (except insofar as express reference is made to the treatment of non-UK residents). The statements apply only to Shareholders who are the absolute legal and beneficial owners of their Shares and the dividends payable on them and who hold their Shares as investments (and not as securities to be realised in the course of a trade).

The statements below may not apply to certain categories of Shareholder who are subject to different tax rules. Such persons may include (but are not limited to) dealers in securities, insurance companies, collective investment schemes, Shareholders who are exempt from taxation and Shareholders who have (or are deemed to have) acquired their Shares by virtue of any office or employment. For the avoidance of doubt, references to "Shares" under this Part VIII include both Ordinary Shares and C Shares.

Prospective Investors should consult their own independent professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

The Company

It is the intention of the Directors to conduct the affairs of the Company so that it satisfies the conditions necessary for it to be approved by HMRC as an investment trust. However, neither the Investment Manager nor the Directors can guarantee that this approval will be granted or maintained. In respect of each accounting period for which the Company is approved by HMRC as an investment trust the Company will be exempt from UK corporation tax on its chargeable gains. The Company will, however, (subject to what follows) be liable to UK corporation tax on its income in the normal way.

Approved investment trusts are able to elect to take advantage of modified UK tax treatment in respect of their "qualifying interest income" for an accounting period (referred to here as the "streaming" regime). Under such treatment, the Company may (assuming it is approved as an investment trust) designate as an "interest distribution" all or part of the amount it distributes to Shareholders as dividends, to the extent that it has "qualifying interest income" for the accounting period. Were the Company to designate any dividend it pays in this manner, it would be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period.

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

Shareholders

Taxation of dividends – UK resident individuals

(A) Dividends which are not designated as "interest distributions"

The following statements in this section (A) summarise the expected UK tax treatment for individual Shareholders who receive dividends in respect of their Shares which are not subject to the streaming regime.

The Company will not be required to withhold UK tax at source when paying a dividend. An individual Shareholder who is resident in the UK for tax purposes and who receives a dividend from the Company should generally be entitled to a notional tax credit which may be set off against the Shareholder's total income tax liability on the dividend. An individual UK resident shareholder will be liable to income tax on the sum of the tax credit and the cash dividend received (the "gross dividend") which will be treated as the top slice of the individual's income for UK income tax purposes. The tax credit equals 10 per cent. of the gross dividend. The tax credit therefore also equals one-ninth of the cash dividend received (2014/15).

A UK tax resident individual Shareholder who is liable to income tax at the current basic rate will be subject to tax on the dividend at the rate of 10 per cent. (2014/15) of the gross dividend. This means that the tax credit will satisfy in full such a Shareholder's liability to income tax on the dividend.

For the tax year 2014/2015, the rate of income tax applied to dividends received by a UK resident individual liable to income tax at the higher rate will be 32.5 per cent. to the extent that such dividends, when treated as the top slice of the Shareholder's income, fall above the threshold for current higher rate income tax and below the threshold for current additional rate income tax. To that extent, the tax credit will be set against, but will not fully match, such a Shareholder's tax liability on the gross dividend. After taking account of the 10 per cent. tax credit, such a Shareholder will have to account for additional tax equal to 22.5 per cent. of the gross dividend, which means that the Shareholder would have an effective dividend tax rate of 25 per cent. of the cash dividend received.

A dividend tax rate of 37.5 per cent.(2014/15) applies to the extent that dividends, when treated as the top slice of a UK resident individual Shareholder's income, fall above the threshold for additional rate income tax. After taking into account the 10 per cent. tax credit, such a Shareholder would have an effective dividend tax rate of approximately 30.6 per cent. of the cash dividend received.

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

(B) "Interest distributions"

The following statements in this section (B) summarise the expected UK tax treatment for individual Shareholders who receive dividends in respect of their Shares which are designated as interest distributions and thus subject to the streaming regime.

If the Company is approved by HMRC as an investment trust and the Directors were to elect for the streaming regime to apply, a UK resident individual Shareholder receiving a dividend designated by the Company as an interest distribution would be treated for tax purposes as receiving a payment of interest. Such a Shareholder would be subject to UK income tax at the rates of 20 per cent., 40 per cent. or 45 per cent., (2014/15) depending on the level of the Shareholder's income. Such distributions would generally be paid to the individual Shareholder after the deduction of 20 per cent. income tax.

An individual Shareholder who is not UK tax resident should generally be entitled to receive dividends designated as interest distributions without deduction of UK tax, provided the Company has received the necessary declarations of non-residence.

Taxation of dividends – companies

(A) Dividends which are not designated as "interest distributions"

The following statements in this section (A) summarise the expected UK tax treatment for Shareholders within the charge to UK corporation tax who receive dividends in respect of their Shares which are not subject to the streaming regime.

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

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

Other corporate Shareholders within the charge to UK corporation tax will not be subject to corporation tax on dividends received from the Company on the Shares provided the dividends fall within an exempt class and certain conditions are met. In general, almost all dividends received by corporate Shareholders should fall within an exempt class. Examples of dividends that fall within exempt classes include dividends paid on shares that are non-redeemable ordinary shares, and dividends paid to a person holding less than 10 per cent. of the issued share capital of the Company (or any class of that share capital in respect of which the distribution is made). Although it is likely that dividends paid by the Company on the Shares would qualify for exemption from corporation tax, it should be noted that the exemption is not comprehensive and is subject to anti-avoidance rules. Shareholders should therefore consult their own professional advisers where necessary.

If the conditions for an exemption are not, or cease to be, satisfied, or such a Shareholder elects for an otherwise exempt dividend to be taxable, the Shareholder will be subject to UK corporation tax on dividends received from the Company. Corporation tax is charged on dividends at the rate applicable to that company.

(B) “Interest distributions”

The following statements in this section (B) summarise the expected UK tax treatment for Shareholders within the charge to UK corporation tax who receive dividends in respect of their Shares which are designated as interest distributions and thus subject to the streaming regime.

The Company will not generally be required to withhold UK tax when paying a dividend on the Shares where the recipient of the dividend is a company (whether UK resident or not).

If the Company is approved by HMRC as an investment trust and the Directors were to elect for the streaming regime to apply, a Shareholder within the charge to UK corporation tax receiving a dividend designated by the Company as an interest distribution would be treated for tax purposes as receiving interest under a creditor loan relationship. Accordingly, such a Shareholder would be subject to corporation tax in respect of the distribution.

Taxation of chargeable gains

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

For an individual Shareholder within the charge to UK capital gains tax, capital gains tax is charged on gains on the disposal (and deemed disposals) of Shares. Generally, the rate is 18 per cent. (2014/15) for individuals who are subject to income tax at the basic rate and 28 per cent. (2014/15) for individuals who are subject to income tax at the higher or additional rates. However, an individual Shareholder is entitled to realise £11,000 (2014/15) of gains (the annual exempt amount) in each tax year without being liable to tax.

For a corporate Shareholder within the charge to UK corporation tax, a disposal (or deemed disposal) of Shares may give rise to a chargeable gain or allowable loss for the purposes of UK corporation tax. Indexation allowance on the cost apportioned to the Shares may be available to reduce the amount of chargeable gain realised on a subsequent disposal. Indexation allowance may not create or increase any allowable loss. Corporation tax is charged on chargeable gains at the rate applicable to that company.

A Shareholder who is not resident in the UK for UK tax purposes is generally not subject to UK capital gains tax, unless such a Shareholder carries on a trade, profession or vocation in the UK through a branch or agency or, in the case of a non-UK resident corporate Shareholder, a permanent establishment to which the Shares are attributable. It should however be noted that, in certain circumstances, an individual Shareholder who is only temporarily non-UK resident may, on re-establishing UK tax residence, be subject to capital gains tax in respect of disposals which occurred in the period of temporary non-residence.

A future conversion of C Shares into new Ordinary Shares should, for the purposes of UK taxation of chargeable gains (or capital gains tax, for an individual shareholder), generally be treated as a reorganisation of share capital and, to that extent, should not be treated as giving rise to a disposal.

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

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

The issue of Shares pursuant to the Issue and Share Issuance Programme

The issue of Shares pursuant to the Issue and Share Issuance Programme will not give rise to stamp duty or SDRT.

Subsequent transfers of Shares

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

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

The liability to pay stamp duty or SDRT on subsequent transfers of the Shares is normally satisfied by the purchaser or transferee.

Shares held through CREST

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

Shares held through clearance services or depositary receipt arrangements

Special rules apply where Shares are issued or transferred to, or to a nominee or agent for, either a person whose business is or includes issuing depositary receipts within Section 67 or Section 93 of the Finance Act 1986 or a person providing a clearance service within Section 70 or Section 96 of the Finance Act 1986, under which SDRT or stamp duty may be charged at a rate of 1.5 per cent (rounded up to the nearest £5 in the case of stamp duty).

Following litigation, HMRC have confirmed that they will no longer seek to apply the 1.5 per cent. SDRT charge on an issue of shares into a clearance service or depositary receipt arrangement on the basis that the charge is not compatible with EU law. HMRC's view is that the 1.5 per cent. SDRT or stamp duty charge will continue to apply to transfers of shares into a clearance service or depositary receipt arrangement unless they are an integral part of an issue of share capital. This view is currently being challenged in further litigation.

Information reporting

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

Part IX

Additional Information

1 The Company and the Investment Manager

- 1.1 The Company was incorporated in England and Wales as a public limited company on 12 January 2015. The Company is registered as an investment company under section 833 of the Act with registered number 9385218. The Company has received a certificate under section 761 of the Act entitling it to commence business and to exercise its borrowing powers. Since its incorporation the Company has not commenced operations (other than entry into of the material contracts referred to at paragraph 7 of this Part IX), has not declared any dividend, and no financial statements have been made up. The Company is domiciled in England and Wales and currently has no employees.
- 1.2 The Company has no subsidiaries. The principal activity of the Company is to invest in alternative finance investments and related instruments, with a view to achieving the Company's investment objective.
- 1.3 The Company operates under the Act and is not regulated as a collective investment scheme by the FCA. Its registered office and principal place of business is 40 Dukes Place, London EC3A 7NH, United Kingdom. The Company's telephone number is +44 (0) 207 204 1601.
- 1.4 As a Company with its shares admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities, the Company will be subject to the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules and to the rules of the London Stock Exchange.
- 1.5 The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. In summary, the conditions that must be met for approval by HMRC for any given accounting period as an investment trust are that:
- the Company is not a close company at any time during the accounting period for which approval is sought;
 - the Company is resident in the UK throughout that accounting period;
 - the Company's ordinary share capital is included in the Official List throughout the accounting period; and
 - the Company must not retain in respect of the accounting period an amount greater than the higher of: (a) 15 per cent. of its income for the period; and (b) the amount of any income which the Company is required to retain in respect of the period by virtue of a restriction imposed by law. However, where the Company has relevant accumulated losses brought forward from previous accounting periods of an amount equal to or greater than the higher of the amounts mentioned in (a) and (b) above, it may retain an amount equal to the amount of such losses.
- 1.6 The Investment Manager is a limited liability company registered under the laws of Delaware with registration number 4343444 and is a SEC registered investment adviser with SEC registration number 801-73676. The address of the registered office of the Investment Manager is 227 West Monroe Street, Suite 3900, Chicago, IL 60606 and its telephone number is +1 312 701 1777.

2 Share Capital

- 2.1 On incorporation, the issued share capital of the Company was £0.01 represented by one Ordinary Share, held by the subscriber to the Company's memorandum of association.
- 2.2 Set out below is the issued share capital of the Company as at the date of this document:

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

The Ordinary Share is fully paid up. To enable the Company to obtain a certificate of entitlement to conduct business and to borrow under Section 761 of the Act, on 19 February 2015, 50,000 Redeemable Preference Shares were allotted to VPC against its irrevocable undertaking to pay £1 in cash for each such share on or before the date of Admission (unless Admission does not become effective by 31 March 2015, in which case VPC has undertaken to pay up or procure payment of, one quarter of the nominal value of all such shares in cash on or before 19 August 2015 and the balance on demand thereafter). The Redeemable Preference Shares will be paid up in full on Admission and redeemed in full out of the proceeds of the Issue.

2.3 Set out below is the issued share capital of the Company as it will be following the Issue (assuming that the Issue is subscribed as to £200 million):

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

All Ordinary Shares will be fully paid.

2.4 By resolutions passed on 19 February 2015:

- (A) (by ordinary resolution) the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot Redeemable Preference Shares of £1 each in the capital of the Company up to an aggregate nominal amount of £50,000, such authority to expire immediately following Admission, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Redeemable Preference Shares in pursuance of such an offer or agreement as if such authority had not expired;
- (B) (by special resolution) the Directors were generally empowered (pursuant to section 570 of the Act) to allot Redeemable Preference Shares for cash pursuant to the authority referred to in paragraph 2.4(A) above as if section 561 of the Act did not apply to any such allotment, such power to expire immediately following Admission, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the Redeemable Preference Shares to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired;
- (C) (by ordinary resolution) the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £250,000 in connection with the Issue, such authority to expire immediately following Admission, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired;
- (D) (by special resolution) the Directors were generally empowered (pursuant to section 570 of the Act) to allot Ordinary Shares for cash pursuant to the authority referred to in paragraph 2.4(C) above as if section 561 of the Act did not apply to any such allotment, such power to expire immediately following Admission, save that the Company may before such expiry make an offer or agreement which would or might require Ordinary Shares to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power had not expired;
- (E) (by ordinary resolution) the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £3,000,000 immediately following the completion of the Issue, such authority to expire on 30 April 2016, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired;
- (F) (by special resolution) the Directors were empowered (pursuant to sections 570 and 573 of the Act) to allot Ordinary Shares and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in paragraph 2.4(E) above as if section 561 of the Act did not apply to any

such allotment or sale, such power to expire on 30 April 2016, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or an agreement as if such power had not expired;

- (G) (by ordinary resolution) the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot 300 million C Shares, such authority to expire on 30 April 2016, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired;
- (H) (by special resolution) the Directors were empowered (pursuant to section 570 of the Act) to allot C Shares pursuant to the authority referred to in paragraph 2.4(G) above as if section 561 of the Act did not apply to any such allotment, such power to expire on 30 April 2016, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted after the expiry of such power, and the Directors may allot equity securities in pursuance of such an offer or an agreement as if such power had not expired;
- (I) (by special resolution) the Company was authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares, provided that the maximum number of Ordinary Shares authorised to be purchased is 14.99 per cent. of the issued Ordinary Shares following the conclusion of the Issue. The minimum price which may be paid for an Ordinary Share is £0.01. The maximum price which may be paid for an Ordinary Share must not be more than the higher of (i) 5 per cent. above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made or (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares. Such authority will expire on the earlier of the conclusion of the first annual general meeting of the Company and the date 18 months after the date on which the resolution was passed save that the Company may contract to purchase its Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase its Ordinary Shares in pursuance of such contract; and
- (J) (by special resolution) the Company resolved that, conditional upon Admission and the approval of the Court, the amount standing to the credit of the share premium account of the Company immediately following completion of the Issue be cancelled.

2.5 In accordance with the authority referred to in paragraph 2.4(C) above, it is expected that the Ordinary Shares in respect of the Issue will be allotted pursuant to a resolution of the Board to be passed shortly before, and conditional upon, Admission.

2.6 The provisions of section 561 of the Act (which, to the extent not dis-applied pursuant to section 570 of the Act, confer on Shareholders rights of pre-emption in respect of the allotment or sale of equity securities for cash) shall apply to any unissued share capital of the Company, except to the extent dis-applied by the resolutions referred to in paragraphs 2.4(D), 2.4(F) and 2.4(H) above.

2.7 Save as disclosed in this paragraph 2, since the date of its incorporation (i) there has been no alteration in the share capital of the Company, (ii) no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued for cash or any other consideration and (iii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital and no share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option.

2.8 The Ordinary Shares under the Issue, expected to be issued on 17 March 2015, will be in registered form. Temporary documents of title will not be issued.

3 Articles of Association

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

3.1 Objects

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

3.2 Variation of rights

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

3.3 Alteration of share capital

The Company may by ordinary resolution:

- (a) authorise the Directors to increase its share capital by allotting new shares;
- (b) consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;
- (c) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller nominal value than its existing shares;
- (d) determine that, as between the shares resulting from such a sub-division, one or more shares may, as compared with the others, have any such preferred, deferred or other rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares; and
- (e) redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

3.4 Issue of shares

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

3.5 Dividends

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

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

3.6 ***Voting rights***

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

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

3.7 ***Transfer of shares***

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

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

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

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

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

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

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as “plan assets” of any Benefit Plan Investor; (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to be registered or qualified under the US Investment Company Act and/or the US Securities Act of 1933 and/or the US Exchange Act of 1934 and/or any similar legislation (in any jurisdiction) that regulates the offering and sale of securities; (iii) may cause the Company not to be considered a “Foreign Private Issuer” under the US Exchange Act of 1934; (iv) may cause the Company to be a “controlled foreign corporation” for the purpose of the US Code; or (v) may cause the Company to become subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction, or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligation), then the Directors may declare the Shareholder in question a “Non-Qualified Holder” and the Directors may require that any shares held by such Shareholder (“Prohibited Shares”) shall (unless the Shareholder concerned satisfies the Directors that

he is not a Non-Qualified Holder) be transferred to another person who is not a Non-Qualified Holder, failing which the Company may itself dispose of such Prohibited Shares at the best price reasonably obtainable and pay the net proceeds to the former holder.

3.8 *Distribution of assets on a winding-up*

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

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

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

3.10 *Untraced shareholders*

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

3.11 *Appointment of Directors*

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

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

3.12 *Powers of Directors*

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

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

3.13 *Voting at board meetings*

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

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

3.14 ***Restrictions on voting***

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

3.15 ***Directors' interests***

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

3.16 ***Indemnity***

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

3.17 ***General meetings***

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

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

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

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

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

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

members having the right to vote at the meeting; or (c) a member or members holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

3.18 **C Shares and Deferred Shares**

The rights and restrictions attaching to the C Shares and to the Deferred Shares arising on their conversion are summarised below.

(I) The following definitions apply for the purposes of this paragraph 3.18 only:

Calculation Date means the earliest of the:

- (i) close of business on the date to be determined by the Directors occurring not more than 10 Business Days after the day on which the Investment Manager shall have given notice to the Directors that at least 90 per cent. of the Net Proceeds (or such other percentage as the Directors and Investment Manager shall agree) shall have been invested; or
- (ii) close of business on the date falling nine calendar months after the allotment of the C Shares or if such a date is not a Business Day the next following Business Day; or
- (iii) close of business on the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent;

Conversion means conversion of the C Shares into Ordinary Shares and Deferred Shares in accordance with paragraph (VIII) below;

Conversion Date means the close of business on such Business Day as may be selected by the Directors falling not more than 10 Business Days after the Calculation Date;

Conversion Ratio is the ratio of the net asset value per C Share to the net asset value per Ordinary Share, which is calculated as:

$$\begin{aligned} \text{Conversion Ratio} &= \frac{A}{B} \\ A &= \frac{C - D}{E} \\ B &= \frac{F - C - G + D}{H} \end{aligned}$$

Where:

C is the aggregate of:

- (a) the value of the investments of the Company attributable to the C Shares, calculated by reference to the Directors' belief as to an appropriate current value for those investments on the Calculation Date after taking into account any price publication services reasonably available to the Directors; and
- (b) the amount which, in the Directors' opinion, fairly reflects, on the Calculation Date, the value of the current assets of the Company attributable to the C Shares (excluding the investments valued under (a) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature);

D is the amount (to the extent not otherwise deducted from the assets attributable to the C Shares) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the C Shares on the Calculation Date;

E is the number of C Shares in issue on the Calculation Date;

F is the aggregate of:

- (a) the value of all the investments of the Company calculated by reference to the Directors' belief as to an appropriate current value for those investments on the Calculation Date after taking into account any price publication services reasonably available to the Directors; and

- (b) the amount which, in the Directors' opinion, fairly reflects, on the Calculation Date, the value of the current assets of the Company (excluding the investments valued under (a) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature);

G is the amount (to the extent not otherwise deducted in the calculation of F) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company on the Calculation Date; and

H is the number of Ordinary Shares in issue on the Calculation Date (excluding any Ordinary Shares held in treasury),

provided that the Directors shall make such adjustments to the value or amount of A and B as the Auditors shall report to be appropriate having regard among other things, to the assets of the Company immediately prior to the date on which the Company first receives the Net Proceeds relating to the C Shares and/or to the reasons for the issue of the C Shares;

Deferred Shares means deferred shares of 1 pence each in the capital of the Company arising on Conversion;

Existing Ordinary Shares means the Ordinary Shares in issue immediately prior to Conversion;

Force Majeure Circumstances means (i) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable; (ii) the issue of any proceedings challenging, or seeking to challenge, the power of the Company and/or its Directors to issue the C Shares with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are proposed to be issued; or (iii) the giving of notice of any general meeting of the Company at which a resolution is to be proposed to wind up the Company, whichever shall happen earliest; and

Net Proceeds means the net cash proceeds of the issue of the C Shares (after deduction of those commissions and expenses relating thereto and payable by the Company).

References to the Auditors confirming any matter should be construed to mean confirmation of their opinion as to such matter whether qualified or not.

References to ordinary shareholders, C shareholders and deferred shareholders should be construed as references to holders for the time being of Ordinary Shares, C Shares and Deferred Shares respectively.

(II) The holders of the Ordinary Shares, the C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights to be paid dividends:

- (a) the Deferred Shares (to the extent that any are in issue and extant) shall entitle the holders thereof to a non-cumulative dividend at a fixed rate of one per cent. of the nominal amount thereof (the "Deferred Dividend") on the date six months after the Conversion Date on which such Deferred Shares were created in accordance with paragraph (VIII) (the "Relevant Conversion Date") and on each anniversary of such date payable to the holders thereof on the register of members on that date as holders of Deferred Shares but shall confer no other right, save as provided herein, on the holders thereof to share in the profits of the Company. The Deferred Dividend shall not accrue or become payable in any way until the date six months after the Conversion Date and shall then only be payable to those holders of Deferred Shares registered in the register of members of the Company as holders of Deferred Shares on that date. It should be noted that given the proposed repurchase of the Deferred Shares as described below, it is not expected that any dividends will accrue or be paid on such shares;
- (b) the C Shareholders shall be entitled to receive in that capacity such dividends as the Directors may resolve to pay out of net assets attributable to the C Shares and from income received and accrued which is attributable to the C Shares;
- (c) the Existing Ordinary Shares shall confer the right to dividends declared in accordance with the Articles;

- (d) the Ordinary Shares into which C Shares shall convert shall rank pari passu with the Existing Ordinary Shares for dividends and other distributions made or declared by reference to a record date falling after the Calculation Date; and
 - (e) no dividend or other distribution shall be made or paid by the Company on any of its shares (other than any Deferred Shares for the time being in issue) between the Calculation Date and the Conversion Date relating (both dates inclusive) and no such dividend shall be declared with a record date falling between the Calculation Date and the Conversion Date (both dates inclusive).
- (III) The holders of the Ordinary Shares, the C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights as to capital:
- (a) the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) at a time when any C Shares are for the time being in issue and prior to the Conversion Date be applied amongst the holders of the Existing Ordinary Shares pro rata according to the nominal capital paid up on their holdings of Existing Ordinary Shares, after having deducted therefrom an amount equivalent to (C-D) using the methods of calculation of C and D given in the definition of Conversion Ratio, which amount shall be applied amongst the C shareholders pro rata according to the nominal capital paid up on their holdings of C Shares. For the purposes of this paragraph (III)(a) the Calculation Date shall be such date as the liquidator may determine; and
 - (b) the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) at a time when no C Shares are for the time being in issue be applied as follows:
 - (i) first, if there are Deferred Shares in issue, in paying to the deferred shareholders one pence in aggregate in respect of every one million Deferred Shares (or part thereof) of which they are respectively the holders; and
 - (ii) secondly, the surplus shall be divided amongst the ordinary shareholders pro rata according to the nominal capital paid up on their holdings of Ordinary Shares.
- (IV) As regards voting:
- (a) the C Shares shall carry the right to receive notice of and to attend and vote at any general meeting of the Company. The voting rights of holders of C Shares will be the same as that applying to holders of Existing Ordinary Shares as set out in the Articles as if the C Shares and Existing Ordinary Shares were a single class; and
 - (b) the Deferred Shares shall not carry any right to receive notice of nor to attend or vote at any general meeting of the Company.
- (V) The following shall apply to the Deferred Shares:
- (a) the C Shares shall be issued on such terms that the Deferred Shares arising upon Conversion (but not the Ordinary Shares arising on Conversion) may be repurchased by the Company in accordance with the terms set out herein;
 - (b) immediately upon Conversion, the Company shall repurchase all of the Deferred Shares which arise as a result of Conversion for an aggregate consideration of one pence for every 1,000,000 Deferred Shares and the notice referred to in paragraph (VIII)(b) below shall be deemed to constitute notice to each C Shareholder (and any person or persons having rights to acquire or acquiring C Shares on or after the Calculation Date) that the Deferred Shares shall be repurchased immediately upon Conversion for an aggregate consideration of one pence for each holding of 1,000,000 Deferred Shares. On repurchase, each Deferred Share shall be treated as cancelled in accordance with section 706 of the Act without further resolution or consent; and
 - (c) the Company shall not be obliged to: (i) issue share certificates to the deferred shareholders in respect of the Deferred Shares; or (ii) account to any deferred shareholder for the repurchase moneys in respect of such Deferred Shares.

- (VI) Without prejudice to the generality of the Articles, for so long as any C Shares are for the time being in issue it shall be a special right attaching to the Existing Ordinary Shares as a class and to the C Shares as a separate class that without the sanction or consent of such holders given in accordance with the Company's Articles:
- (b) no alteration shall be made to the Articles of the Company;
 - (c) no allotment or issue will be made of any security convertible into or carrying a right to subscribe for any share capital of the Company other than the allotment or issue of further C Shares; and
 - (d) no resolution of the Company shall be passed to wind-up the Company.
- For the avoidance of doubt but subject to the rights or privileges attached to any other class of shares, the previous sanction of a special resolution of the holders of Existing Ordinary Shares and C Shares, as described above, shall not be required in respect of:
- (i) the issue of further Ordinary Shares ranking *pari passu* in all respects with the Existing Ordinary Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Existing Ordinary Shares by the issue of such further Ordinary Shares); or
 - (ii) the sale of any shares held as treasury shares (as such term is defined in section 724 of the Act) in accordance with sections 727 and 731 of the Act or the purchase or redemption of any shares by the Company (whether or not such shares are to be held in treasury).
- (VII) For so long as any C Shares are for the time being in issue, until Conversion of such C Shares and without prejudice to its obligations under applicable laws the Company shall:
- (a) procure that the Company's records, and bank and custody accounts shall be operated so that the assets attributable to the C Shares can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall, without prejudice to any obligations pursuant to applicable laws, procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares;
 - (b) allocate to the assets attributable to the C Shares such proportion of the income, expenses and liabilities of the Company incurred or accrued between the date on which the Company first receives the Net Proceeds and the Calculation Date relating to such C Shares (both dates inclusive) as the Directors fairly consider to be attributable to the C Shares; and
 - (c) give appropriate instructions to the Investment Manager to manage the Company's assets so that such undertakings can be complied with by the Company.
- (VIII) The C Shares for the time being in issue shall be sub-divided and converted into Ordinary Shares and Deferred Shares on the Conversion Date in accordance with the following provisions of this paragraph (VIII):
- (a) the Directors shall procure that within 10 Business Days of the Calculation Date:
 - (i) the Conversion Ratio as at the Calculation Date and the numbers of Ordinary Shares and Deferred Shares to which each C Shareholder shall be entitled on Conversion shall be calculated; and
 - (ii) the Auditors shall be requested to confirm that such calculations as have been made by the Company have, in their opinion, been performed in accordance with the Articles and are arithmetically accurate whereupon such calculations shall become final and binding on the Company and all holders of the Company's shares and any other securities issued by the Company which are convertible into the Company's shares, subject to the proviso immediately after the definition of H in paragraph (I) above.

- (b) The Directors shall procure that, as soon as practicable following such confirmation and in any event within 10 Business Days of the Calculation Date, a notice is sent to each C shareholder advising such ordinary shareholder of the Conversion Date, the Conversion Ratio and the numbers of Ordinary Shares and Deferred Shares to which such C shareholder will be entitled on Conversion.
- (c) On conversion each C Share shall automatically subdivide into 10 conversion shares of 1p each and such conversion shares of 1p each shall automatically convert into such number of Ordinary Shares and Deferred Shares as shall be necessary to ensure that, upon such Conversion being completed:
 - (i) the aggregate number of Ordinary Shares into which the same number of conversion shares of 1p each are converted equals the number of C Shares in issue on the Calculation Date multiplied by the Conversion Ratio (rounded down to the nearest whole Ordinary Share); and
 - (ii) each conversion share of 1p which does not so convert into an Ordinary Share shall convert into one Deferred Share.
- (d) The Ordinary Shares and Deferred Shares arising upon Conversion shall be divided amongst the former C shareholders pro rata according to their respective former holdings of C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to Ordinary Shares and Deferred Shares arising upon Conversion including, without prejudice to the generality of the foregoing, selling any Ordinary Shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company).
- (e) Forthwith upon Conversion, the share certificates relating to the C Shares shall be cancelled and the Company shall issue to each former C Shareholder new certificates in respect of the Ordinary Shares which have arisen upon Conversion to which he or she is entitled. Share certificates in respect of the Deferred Shares will not be issued.
- (f) The Directors may make such adjustments to the terms and timing of Conversion as they in their discretion consider are fair and reasonable having regard to the interests of all Shareholders.

3.19 **Life**

The Articles contain a provision requiring the Directors to propose an ordinary resolution for the continuation of the Company as an investment company at the annual general meeting of the Company to be held in 2020 and, if passed, every five years thereafter. Upon any such resolution not being passed, proposals will be put forward by the Directors within 3 months after the date of the resolution to the effect that the Company be wound up, liquidated, reconstructed or unitised.

3.20 **Scrap dividends**

The Board may, if authorised by ordinary resolution, offer any holders of Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution. An ordinary resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period, but such period may not end later than the beginning of the fifth annual general meeting of the Company following the date of the meeting at which the ordinary resolution is passed, provided nevertheless that the Board may in its absolute discretion suspend or terminate (whether temporarily or otherwise) such right to elect and may do such things and acts as may be considered necessary or expedient with regard to, or in order to effect, any such suspension or termination.

4 **City Code on Takeovers and Mergers**

4.1 **Mandatory bid**

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

- (a) a person acquires an interest in Shares which, when taken together with Shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or

- (b) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in Shares which increase the percentage of Shares carrying voting rights in which that person is interested,

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding Shares 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.

4.2 **Compulsory Acquisition**

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

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

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

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

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

Name	Number of Ordinary Shares	Per cent. of issued Ordinary Share capital*
Andrew Adcock	50,000	0.025
Clive Peggram	50,000	0.025
Elizabeth Passey	10,000	0.005
Kevin Ingram	20,000	0.01

*Assuming that the Issue is subscribed as to 200 million Ordinary Shares

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

- 5.2 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. The Directors are subject to retirement by rotation in accordance with the Articles.

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

5.3 The Directors' current level of remuneration is £30,000 per annum for each Director other than the Chairman, who receives £50,000 per annum. The Director serving as the chairman of the Audit and Valuation Committee is entitled to additional fees for serving on such a committee.

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

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

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

Name	Current	Previous	
Andrew Adcock	Kleinwort Benson Bank Limited	Kleinwort Benson Group Limited	
	The Samuel Courtauld Trust (Chairman)	Brompton Asset Management Group LLP (member)	
	The Courtauld Institute of Art	Brompton Asset Management Holdings Limited	
	Majedie Investments plc	Brompton Assets Limited	
	F&C Global Smaller Companies plc	Brompton Investment Funds Limited	
	Majedie Portfolio Management Limited	Brompton Investment Limited	
	Foxtons Group plc	Brompton Investment Management Limited	
	JP Morgan European Investments Plc	Brompton Property Investment Management Limited Brompton Real Estate Investment Management Limited	
Clive Peggram	Alpine Excellence Ltd	T+ Medical Limited	
	Capital & Commitment Limited	T+ Medical Holdings Limited	
	Waverton Property LLP (partner)	Renaissance Asset Managers	
	Future Fuels No. 1 LLP (partner)	Alternative Investment Management Products (UK) Limited	
	Alfieri Associated Investors SA Lux	Kazimir Partners (UK) Limited	
	Cairn Loan Investments LLP (independent partner)	Financial Risk Management Limited FRM Capital Advisors Limited FRM Americas Limited FRM (Australia) Pty Limited FMR Hong Kong Limited FRM Investment Advisory Korea Man Group Japan FCA Guernsey Limited	
	Elizabeth Passey	Big Lottery Fund	Morgan Stanley and Co. International plc
		Wye & Usk Foundation	Morgan Stanley International Foundation
		The Asia Scotland Initiative	Investec Asset Management
		The University of Greenwich	The Rushock Company Ltd The Isle of Dogs Community Foundation (now called the East End Community Foundation)
Kevin Ingram	Aberdeen UK Tracker Trust plc	PricewaterhouseCoopers LLP (audit partner)	

- 5.6 Save as disclosed in paragraph 5.7 below, the Directors in the five years before the date of this document:
- do not have any convictions in relation to fraudulent offences;
 - have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
 - do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.
- 5.7 Elizabeth Passey was the director of The Rushock Company Ltd, which was a sole consultancy business set up by her. As a result of her change in career, the sole consultancy business ceased and an application was made to the Registrar of Companies to strike it off on 21 November 2014.
- 5.8 As at the date of this document, insofar as known to the Company, there are no parties known to have a notifiable interest under English law in the Company's capital or voting rights.
- 5.9 All Shareholders have the same voting rights in respect of the share capital of the Company.
- 5.10 The Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 5.11 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.
- 5.12 The Company has not entered into any related party transaction at any time since incorporation.
- 5.13 Save as mentioned in paragraph 5.14 below, none of the Directors has any conflict of interest or potential conflicts of interest between any duties to the Company and his private interests and any other duties. The Investment Manager, any of its directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an "Interested Party") may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest.
- 5.14 Clive Peggram was until 2012 the former chief executive officer of Financial Risk Management Limited. It is the entity which provided initial start-up capital to the Investment Manager in respect of the Investment Manager's initial fund. As a result of his former role, Clive Peggram has a de minimus interest in two funds managed by FRM which either has an interest in an Other VPC Fund or has a revenue sharing arrangement with the Investment Manager in connection with Investment Manager's management of two Other VPC Funds. In connection with Clive Peggram's former relationship with FRM, he had served as a member of the non-executive advisory board of the Investment Manager between July 2014 to January 2015. His position at the non-executive advisory board of the Investment Manager was an unpaid one. The Board has considered this disclosure with its advisers and concluded that Clive Peggram can be considered to be independent of the Investment Manager for the purposes of the AIC Code.

6 Investment restrictions

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

In order to comply with the current Listing Rules, the Company will not invest more than 10 per cent. of its Gross Assets in other listed closed-ended investment funds, except that this restriction shall not apply to investments in listed closed-ended investment funds which themselves have stated investment policies to invest no more than 15 per cent. of their gross assets in other listed closed-ended investment funds.

In the event of a breach of the investment policy set out in Part II of this document and the investment restrictions set out therein, the Investment Manager shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service.

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

7 Material contracts

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

7.1 Placing Agreement

Under the Placing Agreement between the Company, the Investment Manager, the Directors and Jefferies, Jefferies has undertaken, as agent for the Company, to use its reasonable endeavours to procure subscribers under the Issue for Ordinary Shares at the Issue Price and to use its reasonable endeavours to procure subscribers under the Share Issuance Programme for Shares at the Share Issuance Programme Price.

In the event of oversubscription of the Issue or of a Subsequent Placing, applications under the Issue or under a Subsequent Placing will be scaled back at the Company's discretion (in consultation with Jefferies).

Neither the Placing nor any Subsequent Placing under the Share Issuance Programme is being underwritten.

Completion of the Issue and the obligations of Jefferies under the Placing Agreement in respect of the Issue are conditional upon, *inter alia*, the Ordinary Shares being issued pursuant to the Issue being admitted to the Official List and to trading on the London Stock Exchange by 8.00 a.m. on 17 March 2015 (or such later date and time as Jefferies and the Company agree but not later than 8.00 a.m. on 31 March 2015).

Completion of a Subsequent Placing and the obligations of Jefferies under the Placing Agreement in respect of a Subsequent Placing are conditional upon, *inter alia*, the Shares being issued pursuant to such Subsequent Placing being admitted to the Official List and to trading on the London Stock Exchange by 8.00 a.m. on such date as the Company and Jefferies may agree from time to time in relation to that subsequent Admission.

Jefferies will be entitled to a corporate finance fee and a commission in respect of the Placing and each Subsequent Placing. Jefferies will also be entitled to a reimbursement of all costs, charges and expenses of, or incidental to, the Issue, Admission, satisfaction of any of the conditions under the Placing Agreement, etc. incurred by Jefferies (including the fees of Jefferies' legal advisers up to a capped amount).

The Placing Agreement may be terminated by Jefferies in certain circumstances prior to (i) the Ordinary Shares being issued pursuant to the Issue and admitted to the Official List and to trading on the London Stock Exchange or (ii) prior to the relevant Shares being issued pursuant to a Subsequent Placing and admitted to the Official List and to trading on the London Stock Exchange.

The Company and the Investment Manager have given certain warranties and indemnities to Jefferies. These warranties and indemnities are customary for an agreement of this nature.

Under the Placing Agreement, Jefferies may at its discretion and out of its own resources at any time rebate to some or all investors, or to other parties, part or all of its fees relating to the Placing. Jefferies is also entitled under the Placing Agreement to retain agents and may pay commission in respect of the Placing to any or all of those agents out of its own resources.

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

7.2 Management Agreement

Under the Management Agreement between the Company and the Investment Manager, the Investment Manager is appointed to act as investment manager and AIFM of the Company with responsibility for portfolio management and risk management of the Company's investments.

Under the terms of the Management Agreement, the Investment Manager is entitled to a management fee together with reimbursement of all reasonable costs and expenses incurred by it in the performance of its duties. The Investment Manager is also entitled to a performance fee in certain circumstances. Details of the management fee and performance fee are set out in Part III of this document under the sub-heading "*On-going annual expenses*".

The Management Agreement shall continue in force until and unless terminated by any party giving to the other not less than six months' notice in writing to terminate the same, such notice not to expire prior to the date falling 18 months from Admission. The Management Agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency or material breach of agreement.

If the Management Agreement is terminated (other than for cause) prior to the date falling on the third anniversary from Admission, the Investment Manager shall be entitled to receive from the Company a one-off payment representing an amount equal to 3 per cent. of the Company's Net Asset Value as of the last Business Day of the calendar month immediately prior to the calendar month in which such termination occurs and such payment shall be payable in cash to the Investment Manager within 30 calendar days of the date of such termination.

The Company has given an indemnity in favour of the Investment Manager in respect of the Investment Manager's potential losses in carrying on its responsibilities under the Management Agreement.

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

7.3 **Administration Agreement**

Under the Administration Agreement between the Company and the Administrator, the Administrator has agreed to provide certain administrative services to the Company. Under the agreement, the Administrator will provide general fund administration services (including calculation of the monthly NAV, accounts preparation and daily transaction, cash and position reconciliation services).

Under the terms of the Administration Agreement, the Administrator is entitled to a fee ranging from 0.04 per cent. to 0.07 per cent. of the NAV of the Company per annum. The Administrator is also entitled to reimbursement of all out of pocket expenses incurred by it in connection with its duties.

The agreement may be terminated by either party on 120 days' notice in writing. The agreement may be terminated forthwith on notice in writing in the event of certain circumstances, including material and continuing breach of the agreement or insolvency.

Under the Administration Agreement, the Administrator shall not be liable to the Company for any claims, losses, etc. in connection with the agreement, except where the claim, loss, etc. is a direct result of an act or omission of the Administrator or its affiliates or agents in the performance of the services under the agreement and such act or omission constitutes gross negligence, wilful misconduct or fraud, and provided further that in any event, the aggregate of all liabilities for claims shall not be in excess of the aggregate amount of fees received by the Administrator pursuant to the Administration Agreement in the 12 months prior to the date the first claim arises.

The Company shall indemnify the Administrator from and against any and all claims made by a third party that are incurred by the Administrator and arise out of or in connection with the business of the Company or the performance by the Administrator of the services under the Administration Agreement, provided that it shall only be entitled to indemnification from the Company if its conduct giving rise to such claims did not constitute negligence, wilful misconduct or breach of the Administration Agreement.

The Administration Agreement is governed by the laws of the State of Illinois (US).

7.4 **Registrar Agreement**

Under the Registrar Agreement between the Company and the Registrar, the Registrar has been appointed as registrar to the Company. The Registrar shall be entitled to receive fees under the agreement, a brief summary of which are contained in Part III of this document. In addition, the Registrar shall be entitled to reimbursement of all reasonable out of pocket expenses incurred in connection with the Registrar Agreement.

The Registrar Agreement shall continue in force unless and until terminated by either party giving to the other not less than 90 days' notice to terminate the same, such notice to expire on or at any time after the first anniversary from the agreement's effective date (being the date of the first Admission).

The maximum aggregate liability of the Registrar under the Registrar Agreement for any damage or other loss howsoever caused arising out of or in connection with the agreement or the provision of the services under the agreement will be limited to the lesser of £500,000 or an amount equal to 5 times the annual fee payable to the Registrar under the agreement. The limit of liability shall be calculated in accordance with the fee payable in force and agreed at such time as an event happened to give rise to a claim, and not at the date such event is discovered.

The Company has given an indemnity in favour of the Registrar and its affiliates, directors, officers, employees and agents from and against losses incurred by any of them resulting or arising from the Company's breach of the Registrar Agreement and any third party claims, etc. relating to or arising from or

in connection with the Registrar Agreement or the services contemplated under the agreement, except to the extent such losses are determined to have resulted solely from the fraud, wilful default or negligence of any such indemnified persons seeking indemnity under the agreement.

The Registrar Agreement is governed by the laws of England.

7.5 ***Custodian Agreement***

Under the Custodian Agreement between the Company, the Investment Manager and the Custodian, the Custodian is appointed as the Company's custodian.

Under the terms of the Custodian Agreement, the Custodian is entitled to be paid a fee of between US\$180 and US\$500 per annum per holding of securities in an entity (depending on the type of entity). In addition, the Custodian is entitled to account fees of up to US\$300 per account per annum (but subsequent cost will be US\$150 per account annually) and other incidental fees.

The Investment Manager and the Company are obliged to indemnify and hold the Custodian harmless from and against any loss, liability, damage, costs or expenses incurred by the Custodian or that the Custodian might incur in connection with the Custodian Agreement except for such loss or liability that arises out of the gross negligence or wilful misconduct of the Custodian.

The Custodian Agreement may be terminated by any party upon 30 days' written notice to the other.

The Custodian Agreement is governed by the laws of the State of New York (US).

7.6 ***Company Secretarial Agreement***

Under the Company Secretarial Agreement between the Company and the Company Secretary, the Company Secretary has been appointed to provide company secretarial services to the Company. The Company Secretary is entitled to an annual fee of £50,000, plus VAT and disbursements. The Company Secretary shall also be entitled to reimbursement of all reasonable out of pocket expenses incurred on behalf of the Company.

The Company Secretarial Agreement shall continue in force for an initial period of one year (the "Initial Period"). At the expiry of the Initial Period, the agreement shall automatically renew for successive periods of 12 months, unless or until terminated by either party, either in accordance with the agreement (e.g. in the case of a material breach of agreement or of the insolvency of a party, whereby the agreement may be terminated immediately upon notice), or:

- (a) at the end of the Initial Period, provided written notice is given to the other party at least 3 months prior to the end of the Initial Period; or
- (b) at the end of any successive 12 month period, provided written notice is given to the other party at least 3 months prior to the end of such successive 12 month period.

The maximum aggregate liability of the Company Secretary under the Company Secretarial Agreement for any damage or other loss howsoever caused arising out of or in connection with the agreement or the provision of the services under the agreement will be limited to the lesser of £500,000 or an amount equal to 5 times the annual fee payable to the Company Secretary under the agreement. The limit of liability shall be calculated in accordance with the fee payable in force and agreed at such time as an event happened to give rise to a claim, and not at the date such event is discovered.

The Company has given an indemnity in favour of the Company Secretary and its affiliates, directors, officers, employees and agents from and against losses incurred by any of them resulting or arising from the Company's breach of the Company Secretarial Agreement and any third party claims, etc. relating to or arising from or in connection with the Company Secretarial Agreement or the services contemplated under the agreement, except to the extent such losses are determined to have resulted solely from the fraud, wilful default or negligence of any such indemnified persons seeking indemnity under the agreement.

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

7.7 ***Receiving Agent Agreement***

Under the Receiving Agent Agreement between the Company and the Receiving Agent, the Receiving Agent has been appointed to provide receiving agent duties and services to the Company in respect of the Issue.

Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to a professional advisory fee of £225 per hour, subject to a minimum charge of £2,000. It is also entitled to other fees

including a processing fee of £7.10 per application (or £5.50 for processing via CREST). The Receiving Agent will also be entitled to reimbursement of all out of pocket expenses reasonably and properly incurred by it in connection with its duties. These fees will be incurred for the account of the Company.

The maximum aggregate liability of the Receiving Agent under the Receiving Agent Agreement for any damage or other loss howsoever caused arising out of or in connection with the agreement or the provision of the services under the agreement will be limited to the lesser of £250,000 or an amount equal to 5 times the annual fee payable to the Registrar under the agreement.

The Company has given an indemnity in favour of the Receiving Agent and its affiliates, directors, officers, employees and agents from and against losses incurred by any of them resulting or arising from the Company's breach of the Receiving Agent Agreement and any third party claims, etc. relating to or arising from or in connection with the Receiving Agent Agreement or the services contemplated under the agreement, except to the extent such losses are determined to have resulted solely from the fraud, wilful default or negligence of any such indemnified persons seeking indemnity under the agreement.

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

8 Litigation

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

9 Significant change

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

10 Working capital

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

11 Capitalisation and Indebtedness

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

12 General

12.1 Where information has been sourced from third parties, the Company confirms that this information has been accurately reproduced and that, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The sources of information have been disclosed.

12.2 Jefferies is acting as sponsor and bookrunner to the Issue and has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

12.3 The Investment Manager has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

The Investment Manager accepts responsibility for the information contained in Part I of this document under the heading "Specialty Lending Market Overview" and in Part II of this document under the headings "Investment strategy and risk management policy", "Proposed investments" and "Summary of existing Platforms" and has authorised the inclusion of that information. The Investment Manager has taken all reasonable care to ensure that the information contained in Part I of this document under the heading

“Specialty Lending Market Overview” and in Part II of this document under the headings “Investment strategy and risk management policy”, “Proposed investments” and “Summary of existing Platforms” is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

- 12.4 The effect of the Issue will be to increase the net assets of the Company. On the assumption that the maximum gross proceeds of £250 million are raised through the Issue, the fundraising is expected to increase the net assets of the Company by approximately £245 million. The Issue is expected to be earnings enhancing.
- 12.5 In accordance with the AIFM Rules, the 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:
- (i) the current risk profile of the Company and the risk management systems employed by the AIFM to manage those risks;
 - (ii) any changes to the maximum level of leverage which the AIFM 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 a Regulatory Information Service and is required to seek prior Shareholder approval for any material change to the Company’s investment policy; and
 - (iii) the total amount of leverage employed by the Company.
- 12.6 The Company is a public limited company incorporated in England and Wales. Investors are shareholders in the Company and their relationship with the Company will be governed by the Articles, the rights conferred on shareholders of public limited companies under the Act and other legislation applicable to the Company and the obligations of the Company under the Listing Rules and the Disclosure and Transparency Rules. Investors in the Company do not have any direct rights against the Investment Manager or other service providers.
- 12.7 The courts of England and Wales will have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, in accordance with English law, which may arise out of or in connection with the investor’s shareholdings in the Company. Shareholders should note that there are a number of legal instruments providing for the recognition and enforcement of foreign judgments in England. Depending on the nature and jurisdiction of the original judgment, Council Regulation (EC) No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, Regulation (EC) No 805/2004 of the European Parliament and of the Council of 21 April 2004 creating a European Enforcement Order for uncontested claims, the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters done at Lugano on 30 October 2007, the Administration of Justice Act 1920 and the Foreign Judgments (Reciprocal Enforcement) Act 1933 may apply. There are no legal instruments providing for the recognition and enforcement of judgments obtained in jurisdictions outside those covered by the instruments listed above, although such judgments might be enforceable at common law.
- 12.8 The Investment Manager is not authorised under the AIFM Directive and consequently is not subject to the requirements under the AIFM Directive to hold additional capital or professional indemnity insurance against potential liability arising from professional negligence. However, the Investment Manager does in fact maintain professional indemnity liability insurance cover.
- 12.9 The Investment Manager has not delegated either its portfolio or risk management function in relation to the Company to a third party.
- 12.10 The Ordinary Shares will be admitted to the premium segment of the Official List and to trading on the main market of the London Stock Exchange and accordingly may be purchased and sold on the main market of the London Stock Exchange.
- 12.11 The Company is closed-ended and does not offer redemption rights to investors in respect of the Ordinary Shares.

13 Auditors

The auditors to the Company are PricewaterhouseCoopers LLP of 1 Embankment Place, London, WC2N 6RH. PricewaterhouseCoopers LLP is registered to carry on audit work by The Institute of Chartered Accountants in England and Wales (ICAEW).

14 Documents on display

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

- 14.1 this document; and
- 14.2 the Articles.

Dated 26 February 2015

Part X

Definitions

Act	the Companies Act 2006, as amended from time to time
Adjusted Net Asset Value	the Net Asset Value adjusted as described in Part III of this document for the purpose of calculating the performance fee payable to the Investment Manager under the Management Agreement
Administration Agreement	the agreement dated 25 February 2015, between the Company and the Administrator, summarised in paragraph 7.3 of Part IX of this document, under which the Company is joined as a party to the existing master administration agreement entered into, <i>inter alios</i> , between the Administrator and Other VPC Funds (as amended) and “Administration Agreement” shall mean all of the above agreements referred to together
Administrator	Northern Trust Hedge Fund Services LLC
Admission	the admission of Shares: (i) to the premium segment of the Official List; and (ii) to trading on the London Stock Exchange’s main market for listed securities, becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange
AIC Code	the Association of Investment Companies’ Code of Corporate Governance, as amended from time to time
AIC Guide	the Association of Investment Companies’ Corporate Governance Guide for Investment Companies, as amended from time to time
AIF	alternative investment fund
AIFM	alternative investment fund manager, being, at the date of this document, the Investment Manager
AIFM Directive	Directive 2011/61/EU on Alternative Investment Fund Managers
AIFM Rules	the AIFM Directive and all applicable rules and regulations implementing the AIFM Directive in the UK
Application Form	the application form on which an applicant may apply for Ordinary Shares under the Offer attached as an Appendix to this document
APR	annual percentage rate
Articles	the articles of association of the Company as at the date of this document
Auditors	PricewaterhouseCoopers LLP or such other auditor as the Company may appoint from time to time
Balance Sheet Model	the model as described in Part I of this document
Benefit Plan Investor	a “benefit plan investor” as defined in Section 3(42) of ERISA and any regulations promulgated by the US Department of Labor thereunder, being “employee benefit plans” as defined in Section 3(3) of ERISA that are subject to Title I of ERISA, “plans” that are subject to the prohibited transaction provisions of Section 4975 of the US Internal Revenue Code, and entities the assets of which are treated as “plan assets” under Section 3(42) of ERISA and any regulations promulgated thereunder

Business Day	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business
C Shares	C shares of 10 pence each in the capital of the Company having the rights and restrictions set out in paragraph 3.18 of Part IX of this document
Cash Instruments	cash or cash equivalents, government or public securities (as defined in the rules of the FCA), money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a “single A” (or equivalent) 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)
certificated form	not in uncertificated form
Company	VPC Specialty Lending Investments PLC
Company Secretary	Capita Registrars Limited (trading as company secretary under the name of “Capita Company Secretarial Services Limited”)
Company Secretarial Agreement	the agreement dated 26 February 2015, between the Company and the Company Secretary, summarised in paragraph 7.6 of IX of this document
Contract Note	has the meaning given to it in Part VI of this document
Credit Facilities	has the meaning given to it in Part II of this document
CREST	the relevant system as defined in the CREST Regulations in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
Custodian or Merrill Lynch	Merrill Lynch, Pierce, Fenner & Smith Incorporated
Custodian Agreement	the custodian agreement dated 25 February 2015, between the Company, the Investment Manager and the Custodian, summarised in paragraph 7.5 of Part IX of this document
Deal Team	has the meaning given to it in Part II of this document
Debt Instruments	has the meaning given to it in Part II of this document
Directors or Board	the board of directors of the Company
Disclosure and Transparency Rules	the disclosure and transparency rules made by the FCA under Part VI of FSMA
EEA	European Economic Area
ERISA	the United States Employee Retirement Income Security Act of 1974, as amended
Euroclear	Euroclear UK & Ireland Limited
FATCA	the Foreign Account Tax Compliance Act
FCA	the Financial Conduct Authority, being the single regulatory authority for the UK financial services industry
FDIC	Federal Deposit Insurance Corporation

FICO	a person's credit score calculated with software from Fair Isaac Corporation (FICO)
FSMA	the UK Financial Services and Markets Act 2000, as amended
Gross Assets	the gross assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time
HMRC	HM Revenue & Customs
IFRS	International Financial Reporting Standards
Investment Manager or AIFM or VPC	Victory Park Capital Advisors, LLC
Issue	the Placing and the Offer
Issue Price	£1 per Ordinary Share
Jefferies or Bookrunner	Jefferies International Limited, the Company's sponsor, broker and bookrunner
Listing Rules	the listing rules made by the UK Listing Authority under section 73A of FSMA
London Stock Exchange	London Stock Exchange plc
Management Agreement	the investment management agreement dated 26 February 2015, between the Investment Manager and the Company, summarised in paragraph 7.2 of Part IX of this document
Management Fee	the management fee payable to the Investment Manager under the Management Agreement and described in Part III of this document
Marketplace Model	the model as described in Part I of this document
Member State	any member state of the EEA
Minimum Net Proceeds	the minimum net proceeds of the Issue, being £100 million
Money Laundering Regulations	the Money Laundering Regulations 2007
NAV or Net Asset Value	the value of the assets of the Company less its liabilities, determined in accordance with the accounting principles adopted by the Company from time to time
NAV per Ordinary Share or Net Asset Value per Ordinary Share	the Net Asset Value divided by the number of Ordinary Shares in issue
Offer or Offer for Subscription	the offer for subscription of Ordinary Shares at the Issue Price, as described in this document
Official List	the official list maintained by the UK Listing Authority
Ordinary Shares	ordinary shares of £0.01 each in the capital of the Company
Other VPC Funds	investment funds, investment products or managed accounts other than the Company which are operated, managed or advised by the Investment Manager and/or any of its affiliates
Placing	the conditional placing of Placing Shares by Jefferies at the Issue Price pursuant to the Placing Agreement

Placing Agreement	the conditional placing and share issuance agreement dated 26 February 2015, between the Company, the Investment Manager, the Directors and Jefferies, summarised in paragraph 7.1 of Part IX of this document
Placing Confirmation	has the meaning given to it in Part VI of this document
Placing Shares	the Ordinary Shares to be issued under the Placing
Platforms	origination platforms that allow non-bank capital to engage with and directly lend to borrowers
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of the European Union and any relevant implementing measure in each Relevant Member States
Prospectus Rules	the rules and regulations made by the FCA under Part VI of FSMA
Receiving Agent Agreement	the agreement dated 26 February 2015, between the Company and the Receiving Agent, summarised in paragraph 7.7 of Part IX of this document
Redeemable Preference Shares	the redeemable preference shares of £1 each in the capital of the Company held, at the date of this document, by VPC
Register	the register of members of the Company
Registrar or Receiving Agent	Capita Registrars Limited (trading as registrar and as receiving agent under the name of “Capita Asset Services”)
Registrar Agreement	the agreement dated 26 February 2015, between the Company and the Registrar, summarised in paragraph 7.4 of Part IX of this document
Regulatory Information Service	a service authorised by the UK Listing Authority to release regulatory announcements to the London Stock Exchange
Relevant Member State	each Member State which has implemented the Prospectus Directive or where the Prospectus Directive is applied by the regulator
SEC	the United States Securities and Exchange Commission
Securities Act	the United States Securities Act of 1933, as amended
Shares	Ordinary Shares and/or C Shares, as the context may require
Share Issuance Programme	the proposed programme of Subsequent Placings of Ordinary Shares and/or C Shares as described in this document, in particular in Part V of this document
Share Issuance Programme Price	the price at which Ordinary Shares and/or C Shares will be issued pursuant to a Subsequent Placing under the Share Issuance Programme to placees, as set out in Part V of this document
Shareholder	a holder of Ordinary Shares and/or C Shares (as the context requires)
SME	small and medium-sized enterprise
SPV	special purpose vehicle
Subsequent Placing	any placing of Ordinary Shares and/or C Shares pursuant to the Share Issuance Programme described in this document
Takeover Code	The City Code on Takeovers and Mergers
UK	the United Kingdom of Great Britain and Northern Ireland

UK Consumers	<p>any of the following categories of borrowers in the UK:</p> <ul style="list-style-type: none"> (i) an individual; or (ii) a partnership consisting of two or three persons not all of whom are bodies corporate; or (iii) an unincorporated body of persons that does not consist entirely of bodies corporate and is not a partnership, <p>unless the loan which is lent to such borrower is of a principal amount which exceeds £25,000 and that the loan agreement is wholly or predominantly for the borrower's business and that it includes a declaration by the borrower which meets the prescribed requirements specified by the rules of the FCA</p>
UK Listing Authority or UKLA	the FCA acting in its capacity as the competent authority for the purposes of admissions to the Official List
uncertificated or in uncertificated form	an Ordinary Share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
United States or US or U.S.	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
US Code	the US Internal Revenue Code of 1986, as amended
US Investment Company Act	the United States Investment Company Act of 1940, as amended
US Person	a US Person as defined for the purposes of Regulation S

Box 5 – CREST

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

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

CREST Participant ID						CREST Member Account													
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There are two possible ways to settle within CREST.

1. Settlement by Cheque

All payments must be in Pounds Sterling and cheques or bankers' drafts should be made payable to "**Capita Registrars Limited Re: VPC Specialty Lending Investments PLC Offer for Subscription A/C**". Cheques or bankers' drafts must be drawn on an account where the applicant has sole or joint-title to the funds and on an account at a branch of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and bankers' drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner. Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the building society cheque or bankers' draft to such effect. Please do not send cash. Cheques or bankers' drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and bankers' drafts to allow the Company to obtain value for remittances at the earliest opportunity. It is a term of the Offer for Subscription that cheques shall be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured.

2. Settlement by delivery versus payment (DVP)

If you so choose to settle your commitment within CREST, that is **delivery versus payment (DVP)**, you or your settlement agent/custodian's CREST account must allow for the delivery and acceptance of Ordinary Shares to be made against payment of the Issue Price per Ordinary Share, following the CREST matching criteria set out below:

Trade Date:	13 March 2015
Settlement Date:	17 March 2015
Company:	VPC Specialty Lending Investments PLC
Security Description:	Ordinary Shares of £0.01 each
SEDOL:	BVG6X43
ISIN:	GB00BVG6X439

Should you wish to settle delivery versus payment (DVP), you will need to match your instructions to Capita Asset Services' Participant account RA06 by no later than 11.00 a.m. on 17 March 2015. You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

Box 6 – Signature

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

Execution by Individuals:

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

Execution by a Company:

Executed by (Name of Company):			Date	
Name of Director:		Signature:	Date	
Name of Director/Secretary:		Signature:	Date	
If you are affixing a company seal, please mark a cross here:		Affix Company Seal here:		

BOX 7 MUST BE COMPLETED BY AUTHORISED FINANCIAL INTERMEDIARIES ONLY

Box 7 – Authorised Financial Intermediaries Details

By completing and stamping Box 7 below you are deemed to have read the Prospectus and agreed to the terms and conditions in Part VII (*Terms and Conditions of Application under the Offer*) and to have given the warranty and undertaking set out therein and in Note 7 of the accompanying Notes on Completion of the Application Form.

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

PLEASE AFFIX YOUR CHEQUE OR BANKER'S DRAFT HERE

Notes on Completion of the Application Form

It is essential that you complete all parts of the Application Form in accordance with the following instructions. Authorised Financial Intermediaries MUST read Note 7 of these notes.

1. Application and Amount Payable

Insert in Box 1 the subscription amount for the total number of Ordinary Shares you wish to apply for in VPC Specialty Lending Investments PLC. Your cheque or banker's draft should be for an amount that represents £1.00 multiplied by the number of Ordinary Shares for which you are applying. Your application must be for a minimum of 10,000 Ordinary Shares and thereafter in multiples of 1,000 Ordinary Shares.

Payment

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

All payments must be in Pounds Sterling and cheques or bankers' drafts should be made payable to "**Capita Registrars Limited Re: VPC Specialty Lending Investments PLC Offer for Subscription A/C**". Cheques or bankers' drafts must be drawn on an account where the applicant has sole or joint-title to the funds and on an account at a branch of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and bankers' drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner. Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the building society cheque or bankers' draft to such effect. Please do not send cash. Cheques or bankers' drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and bankers' drafts to allow the Company to obtain value for remittances at the earliest opportunity. It is a term of the Offer for Subscription that cheques shall be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured.

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

Money Laundering Regulations

Under the Money Laundering Regulations, Capita Asset Services may be required to check the identity of persons who subscribe for in excess of the Sterling equivalent of €15,000 of Ordinary Shares.

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

2. Applicant Details

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

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

3. Joint Applicants

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

4. Corporate Details

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

5. CREST

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

6. Signature

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

Execution by Individuals:

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

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

Execution by a Company:

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

7. Authorised Financial Intermediaries Details

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

Money Laundering Regulations

If you complete and stamp Box 7 of the Application Form you are warranting that the applicant is known to you and that you have completed all the verification procedures as required by the relevant rules and guidance of the FCA, the Joint Money Laundering Steering Group Guidance Notes and other anti-money laundering laws and regulations as may be considered appropriate. You also confirm that this information can be relied upon by the Company and the Receiving Agent and will, subject to reasonable notice, be made available to the Company or the Receiving Agent for inspection upon request. In the event of delay or failure to produce such information, the Company may refuse to accept an application for the Offer for Subscription.

If you have any queries regarding the procedure for application and payment please call the Capita Asset Services Helpline on 0871 664 0321 (within the UK) or +44 208 639 3399 (outside the UK). Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Calls to the helpline from outside the UK will be charged at the applicable international rate. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer for Subscription nor give any financial, legal or tax advice. Return this form by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom to arrive by no later than 11.00 a.m. on 10 March 2015.

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

