

THIS PROSPECTUS 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 your stockbroker, bank, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (the "FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This document comprises a prospectus relating to Smithson Investment Trust plc (the "**Company**") in connection with the issue of Placing Shares, prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority made pursuant to section 73A of FSMA. This Prospectus has been approved by Financial Conduct Authority as the competent authority under Regulation (EU) 2017/1129. The Financial Conduct Authority only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Company that is the subject of this Prospectus or of the quality of the Placing Shares.

Investors should make their own assessment as to the suitability of investing in the Placing Shares. The Placing 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 Placing 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. If you are in any doubt about the contents of this Prospectus, you should consult your accountant, legal or professional adviser or financial adviser.

The Company and each of the Directors, whose names appear on page 25 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and the Directors, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

Smithson Investment Trust plc

(incorporated and registered in England and Wales with number 11517636 and registered as an investment company under section 833 of the Companies Act 2006)

Placing Programme of up to 40 million Ordinary Shares
and

Admission to the premium segment of the Official List and trading on the London Stock Exchange's Main Market

Sponsor and broker

Investec Bank plc

Applications will be made for the Placing Shares to be issued pursuant to the Placing Programme to be admitted to listing on the premium segment of the Official List and to trading on the London Stock Exchange's Main Market. It is expected that such Programme Admissions will become effective and that unconditional dealings in the Placing Shares will commence during the period from 1 April 2020 to 31 March 2021 (inclusive). The Placing Shares are not dealt in on any other recognised investment exchange and no other such applications have been made or are currently expected.

The Placing Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States. The Company has not been, and will not be, registered under the US Investment Company Act of 1940, as amended. Accordingly, the Placing Shares may not be offered, sold, taken up, exercised, resold, transferred or delivered, directly or indirectly, into or 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**")). The Placing Shares are being offered and sold solely outside the United States to non-US Persons (as defined in Regulation S) in "offshore transactions" as defined in and pursuant to Regulation S. There will be no public offer of securities in the United States.

The Placing Shares have not been, and will not be, registered under the securities laws or with any securities regulatory authority of any province or territory of any member state of the EEA (other than the Republic of Ireland (and may not be registered in the Republic of Ireland on or after the expiry of the Implementation Period)), Canada, Australia, the Republic of South Africa or Japan. Subject to certain exceptions, the Ordinary 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 (prior to the expiry of the Implementation Period), the Republic of Ireland), Canada, Australia, 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 (prior to the expiry of the Implementation Period) the Republic of Ireland), Australia, Canada, the Republic of South Africa or Japan. This Prospectus does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Placing 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 Prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves of and observe any restrictions.

Investec Bank plc ("**Investec**"), which is authorised in the United Kingdom by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for the Company and for no one else in relation to the Placing Programme and/or any Programme Admission and the other arrangements referred to in this Prospectus. Investec will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to the Placing Programme and/or any Programme Admission and the other arrangements referred to in this Prospectus 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 Placing Programme and/or any Programme Admission, the contents of this Prospectus or any transaction or arrangement referred to in this Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by the FSMA or the regulatory regime established thereunder, Investec does not make any representation express or implied in relation to, nor accepts any responsibility whatsoever for, the contents of the Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Placing Programme and/or any Programme Admission. Investec (and its affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for any statutory liability) whether arising in tort, contract or otherwise which it might have in respect of the contents of the Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Placing Shares, the Placing Programme and/or any Programme Admission.

This Prospectus is dated 1 April 2020

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SUMMARY

Section A - Introduction and warnings

The securities offered under the Placing Programme are Ordinary Shares of £0.01 each (ISIN GB00BGJWTR88) in the capital of Smithson Investment Trust plc (the "**Company**").

The Legal Entity Identifier ("**LEI**") of the Company is 52990070BDK2OKX5TH79.

The registered office of the Company is at Mermaid House, 2 Puddle Dock, London, EC4V 3DB and the telephone number of the Company is +44 (0) 20 3551 6337.

The competent authority, which has approved this Prospectus on 1 April 2020, is the United Kingdom Financial Conduct Authority, 12 Endeavour Square, London E20 1JN.

This summary should be read as an introduction to this Prospectus. Any decision to invest in the Placing Shares should be based on consideration of this Prospectus as a whole by the investor.

Investors could lose all or part of their invested capital.

Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Section B – Key information on the issuer

Section B(1) – Who is the issuer of the securities?

The legal and commercial name of Company, being the issuer of the Placing Shares, is Smithson Investment Trust plc.

The Company was incorporated and registered in England and Wales on 14 August 2018 with registered number 11517636 as a public company limited by shares. The Company is not authorised or regulated as a collective investment scheme by the FCA, however it is subject to the Listing Rules and the Disclosure Guidance and Transparency Rules. The principal legislation under which the Company operates, and under which the Placing Shares will be issued, is the Companies Act.

The Directors intend, at all times, to continue to conduct the affairs of the Company so as to enable it to retain approval as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010, as amended.

The Company's investments are and will be focused on small and medium ("**SMID**") sized listed or traded companies globally, which are companies with a market capitalisation of between £500 million and £15 billion. The Company's investment manager, Fundsmith LLP (the "**Investment Manager**"), focuses on investing in those companies it believes can compound in value over many years. It seeks to achieve this by selecting companies that have an established track record of success, such as having already established a dominant market share in their niche product or service or having brands or patents which others would find difficult, if not impossible, to replicate.

As at the date of this Prospectus, in so far as it is known to the Company, the following persons held directly or indirectly 3 per cent. or more of the Company's voting rights:

| Name | Number of voting rights held | % of voting rights held |
|---|-------------------------------------|--------------------------------|
| Brewin Dolphin Limited | 7,041,512 | 5.95 |
| Rathbones (Rathbone Investment Management Ltd and Rathbone Investment Management International Ltd) | 5,739,467 | 4.84 |

All Shareholders have the same voting rights in respect of the Ordinary Shares.

As at the date of this Prospectus, 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.

The Company has no managing directors. The directors of the Company, all of whom are non-executives, are Mark Pacitti (Chairman), Diana Dyer Bartlett and Lord St. John of Bletso.

The Company's auditor is Deloitte LLP.

Section B(2) – What is the key financial information regarding the issuer?

The selected historical financial information which has been extracted from the Company's audited financial statements and which summarises the Company's financial condition for the period from incorporation on 14 August 2018 to 31 December 2019 is summarised in the following tables:

Statement of Comprehensive Income

| | For the period from incorporation on 14 August 2018 to 31 December 2019 |
|---|--|
| Income from investments held at fair value through profit or loss (£'000) | 15,547 |
| Gains on investments held at fair value through profit or loss (£'000) | 239,338 |
| Losses on foreign exchange transactions (£'000) | (18) |
| Performance fees* (£'000) | Nil |
| Investment management fees (£'000) | (12,509) |
| Other expenses including transaction costs (£'000) | (2,820) |
| Profit before tax (£'000) | 239,538 |
| Tax (£'000) | (1,392) |
| Profit for the period (£'000) | 238,146 |
| Return per share (basic and undiluted) (p) | 242.49 |

**Under the terms of the Investment Manager's appointment, no performance fee is payable by the Company to the Investment Manager*

Statement of Financial Position

| | 31 December 2019 (£'000) |
|---|-------------------------------------|
| Non-current assets | |
| Investments held at fair value through profit or loss | 1,405,671 |
| Current assets | |
| Receivables | 1,653 |
| Cash and cash equivalents | 31,558 |
| Total assets | 1,438,882 |
| Current liabilities | |
| Trade and other payables | (1,577) |
| Total assets less current liabilities | 1,437,305 |
| Equity attributable to equity shareholders | |
| Share capital | 1,145 |
| Share premium | 1,198,014 |
| Capital reserve | 237,889 |
| Revenue reserve | 257 |
| Total equity | 1,437,305 |
| Net assets value per share (p) | 1,255.2 |

Statement of Cash Flows

**For the period from
incorporation on 14 August
2018 to 31 December 2019
(£'000)**

| | |
|--|-------------|
| Cash flows from operating activities | |
| Profit before tax | 239,538 |
| Adjustments for: | |
| Gain on investments | (239,338) |
| Loss on foreign exchange | 18 |
| Increase in receivables | (554) |
| Increase in payables | 1,577 |
| Overseas taxation paid | (1,707) |
| Net cash flow from operating activities | (466) |
| Cash flow from investing activities | |
| Purchases of investments | (1,205,635) |
| Sale of investments | 39,302 |
| Net cash flow from investing activities | (1,166,333) |
| Cash flows used in financing activities | |
| Proceeds from issue of new shares | 1,200,773 |
| Issue costs relating to new shares | (2,398) |
| Net cash flow from financing activities | 1,198,375 |
| Net increase in cash and cash equivalents | 31,576 |
| Effect of foreign exchange rates | (18) |
| Change in cash and cash equivalents | 31,558 |
| Cash and cash equivalents at start of the period | Nil |
| Cash and cash equivalents at the end of the period | 31,558 |
| Comprised of: Cash at bank | 31,558 |

Neither pro forma financial information nor any qualified audit report has been included in this Prospectus.

Performance (as at 31 December 2019)

| Share class | Total NAV (£'000) | No. of shares | NAV/share (p) |
|-----------------|-------------------|---------------|---------------|
| Ordinary Shares | 1,437,305 | 114,510,958 | 1,255.2 |

Since 31 December 2019, the Company has issued a total of 4,005,000 Ordinary Shares at issue prices ranging from £12.72 to £13.91 per Ordinary Share, raising gross proceeds of approximately £53.2 million and has incurred nil borrowing. In addition, as compared to 31 December 2019, as at 27 March 2020 the net asset value per Ordinary Share of the Company has fallen approximately 11.4 per cent.

Section B(3) – What are the key risks that are specific to the issuer?

The key risks that are specific to the Company are:

- the past performance of the Company or of other funds managed by the Investment Manager and its key individuals set out in this Prospectus is not indicative, or intended to be indicative, of future performance or results of the Company and the future performance and results of the Company are subject to fluctuating market conditions, changes in macro-economic factors and the availability of financing;
- market conditions may have a negative impact on the Company's ability to identify and execute suitable investments that might generate acceptable returns. Market conditions may also restrict the supply of suitable investments at a price the Investment Manager considers may generate acceptable returns. If

conditions affecting the investment market negatively impact the price at which the Company is able to buy or dispose of its assets, this may have a material adverse effect on the Company's business and results of operations;

- the Company may not achieve its investment objective. The Company is dependent upon the Investment Manager's successful implementation of its investment strategy and ultimately on its ability to create an investment portfolio capable of generating attractive returns. In particular, the Company is not constrained on weightings in any sector or geography. This may lead to the Company having significant exposure to portfolio companies from certain business sectors or based in certain geographies. Greater concentrations of investments in any one sector or geography may lead to greater volatility in the Company's investments and may adversely affect performance. This may be exacerbated by the small number of investments held at any time;
- interest rate movements may affect the level of income receivable on cash deposits and the interest payable both by the Company and by investee companies on their borrowings. In addition, where the Company invests in high growth investee companies, any increase in interest rates will compress the growth of such companies and therefore affect their valuations. As such, interest rate fluctuations may reduce returns to investors;
- the Ordinary Shares are denominated in pounds sterling while the majority of the Company's investments are denominated in a currency other than the pound sterling. The Company does not hedge its currency exposures and changes in exchange rates may lead to depreciation in the Company's net asset value;
- prior to investing in a company, the Investment Manager performs due diligence on the proposed investment. If the Investment Manager fails to identify risks or liabilities associated with investee companies adequately, this could give rise to an investee company not fitting the Company's investment policy or unexpected losses and adverse performance. Such risks include cyber risk management by investee companies;
- the Company relies on key individuals at the Investment Manager to identify and select investment opportunities and to manage the day-to-day affairs of the Company. There can be no assurance as to the continued service of these key individuals at the Investment Manager, and the departure of any of these from the Investment Manager without adequate replacement may have a material adverse effect on the Company's business prospects and results of operations;
- the Company has outsourced all its operations to third party service providers. Failure by any service provider to carry out its obligations in accordance with the terms of its appointment could have a material adverse effect on the Company's business prospects and results of operations; and
- if the Company fails to maintain its status as an investment trust for the purposes of the CTA 2010 and the Investment Trust Regulations, it would 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.

Section C – Key information on the securities

Section C(1) – What are the main features of the securities?

The securities to be admitted to trading pursuant to the Placing Programme are Ordinary Shares of the Company of £0.01 each, whose ISIN is GB00BGJWTR88, and whose SEDOL is BGJWTR8. The Placing Shares are denominated in pounds sterling.

As at the date of this Prospectus, the Company has 118,515,958 fully paid Ordinary Shares of £0.01 par value in issue (all fully paid).

The holders of the Ordinary Shares are entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares.

On a winding-up or a return of capital by the Company, the holders of Ordinary Shares are entitled to all of the Company's remaining net assets after satisfaction of the Company's liabilities. The Ordinary Shares carry the right to receive notice of, attend and vote at general meetings of the Company.

The consent of the holders of Ordinary Shares is required for the variation of any rights attached to the

Ordinary Shares.

The Company has no fixed life but, if at the end of the Company's fourth financial year (being 31 December 2022) or any subsequent year, the Ordinary Shares have traded, on average, at a discount in excess of 10 per cent. of NAV per Ordinary Share in that year, the Directors will consider proposing a special resolution at the Company's next annual general meeting that the Company ceases to continue in its present form. If passed, the Board will be required to formulate proposals to be put to Shareholders within four months to wind up or otherwise reconstruct the Company, having regard to the liquidity of the Company's underlying assets.

Each Ordinary Share ranks equally.

There are no restrictions on the free transferability of the Ordinary Shares, subject to compliance with applicable securities laws.

The Company's intention is to look for overall return rather than seeking any particular level of dividend. The Company complies with the investment trust rules regarding distributable income but does not expect significant income from the shares in which it invests. Any dividends and distributions will be at the discretion of the Board.

Section C(2) – Where will the securities be traded?

Application will be made to the Financial Conduct Authority and the London Stock Exchange for all of the Placing Shares to be issued pursuant to the Placing Programme to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's Main Market respectively. The existing Ordinary Shares are already traded there.

Section C(3) – What are the key risks that are specific to the securities?

The key risks that are specific to the Ordinary Shares are:

- the market price of the Ordinary Shares may not reflect the value of the underlying investments of the Company and may be subject to wide fluctuations in response to many factors. The market value of the Ordinary Shares may therefore vary considerably from the Company's underlying Net Asset Value. In particular, it is possible that:
 - the Ordinary Shares could trade at a value materially below their Net Asset Value for a prolonged period of time and there can be no assurance, express or implied that Shareholders will receive back the amount of their investment in the Ordinary Shares; and
 - the Ordinary Shares could trade at a premium to the Company's underlying NAV, meaning that the price at which the Ordinary Shares can be purchased in the market is materially higher than the Company's underlying NAV, which in turn could affect the liquidity of the Ordinary Shares;
- the Company is permitted to borrow for short-term liquidity purposes or for discount management purposes including purchase of its own shares. Since the Company's borrowings are limited to 15 per cent. of the Net Asset Value at the time of draw down of such borrowings, however, where the Company employs borrowings for discount management purposes, the amount that the Company is permitted to borrow may not be sufficient to close the discount at which the Ordinary Shares are trading. In addition, if the Company were to borrow and interest rates were to rise such that the interest required to be paid by the Company also increased, returns to investors would be reduced;
- sales of Ordinary Shares or interests in Ordinary Shares by the Board or key individuals at the Investment Manager could cause the market price of the Ordinary Shares to decline. This may make it more difficult for Shareholders to sell the Ordinary Shares at a time and price that they deem appropriate; and
- unlike income-focussed equities funds, the Company's intention is to look for overall return rather than seeking any particular level of dividend. Subject to the requirement to make distributions to maintain investment trust status, any dividends and other distributions paid by the Company will be made at the discretion of the Board. As such, investors should have no expectation that dividends or distributions will be paid at all.

Section D – Key information on the Placing Programme and Programme Admissions

Section D(1) – Under which conditions and timetable can I invest in this security?

Investec Bank plc has agreed to use its reasonable endeavours to procure Placees to subscribe for Placing Shares on the terms and subject to the conditions set out in the Sponsor and Placing Agreement. Only qualified investors who contact Investec, or any other placing agent appointed by the Company from time to time, will be entitled to invest.

The Directors may implement the Placing Programme to enable the Company to raise additional capital in the period from the date of this Prospectus to 31 March 2021.

Application will be made to the Financial Conduct Authority and the London Stock Exchange for all of the Placing Shares to be issued pursuant to the Placing Programme to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's Main Market respectively. The existing Ordinary Shares are already traded there.

Under the Placing Programme, the Company may issue up to 40 million Placing Shares in aggregate.

In addition, each Placing is conditional on amongst other things:

- the Sponsor and Placing Agreement remaining in full force and effect and not having been terminated in accordance with its terms before the relevant Programme Admission becomes effective; and
- completion of the relevant Programme Admission.

In the circumstances in which these conditions are not fully met or waived, the relevant Placing will not take place and no Placing Shares will be issued under that Placing.

Expected Timetable

| | |
|---|--|
| Date of this Prospectus | 1 April 2020 |
| Placing Programme opens | 1 April 2020 |
| Programme Admission and commencement of dealings in Placing Shares issued pursuant to the Placing Programme | 8.00 a.m. on each day Placing Shares are issued pursuant to the Placing Programme |
| CREST accounts credited in respect of uncertificated Placing Shares issued pursuant to the Placing Programme | as soon as possible after 8.00 a.m. on each day Placing Shares are issued in uncertificated form pursuant to the Placing Programme |
| Where applicable, despatch of definitive share certificates for Placing Shares issued pursuant to the Placing Programme | approximately one week following the relevant Programme Admission |
| Latest date for Placing Shares to be issued pursuant to the Placing Programme | 31 March 2021 |

Each Programme Admission will become effective and dealings in the relevant Placing Shares will commence during the period from the date of this Prospectus to 31 March 2021.

Assuming that the maximum number of 40 million Placing Shares is issued pursuant to the Placing Programme, the share capital of the Company in issue at the date of this Prospectus would, following the Placing Programme, be increased by approximately 34 per cent. as a result of the Placing Programme. On this basis, if existing Shareholders do not acquire any Placing Shares, their proportionate share capital and voting interest in the Company will be diluted by 25 per cent. Such dilution will not be affected by any fluctuation in the Net Asset Value during the Placing Programme or the Placing Programme Price(s).

The costs and expenses of the Placing Programme that are payable by the Company are estimated to be approximately 0.5 per cent. of the gross proceeds of the Placing Programme. Only the listing fees, the fees and commissions payable to Investec under the Sponsor and Placing Agreement and a company secretarial fee of £500 plus VAT in respect of each Placing under the Placing Programme will be borne by the Company. All other costs of the Placing Programme will be directly borne by the Investment Manager. No expenses or taxes will be charged directly by the Company to investors.

Under the Placing Programme, each Placing Share will be made available to investors at a price

calculated by reference to the estimated cum income Net Asset Value of each existing Ordinary Share together with a premium intended to cover the costs and expenses payable by the Company in connection with each Placing.

Since the Placing Shares will be issued at the Placing Programme Price which includes a premium to the existing estimated NAV (cum income) per existing Ordinary Share to cover the listing fees and fees and commissions payable to Investec under the Sponsor and Placing Agreement, existing Shareholders will experience no dilution on a NAV per Share basis as a result of any issue of Placing Shares and the deduction of any costs and expenses incurred in connection with the Placing.

The net proceeds of the Placing Programme are dependent on (i) the aggregate number of Placing Shares issued pursuant to the Placing Programme; and (ii) the applicable Placing Programme Price at which any Placing Shares are issued pursuant to the Placing Programme.

Section D(2) – Why is this prospectus being produced?

With the Company having exhausted substantially all of its capacity to issue Ordinary Shares in accordance with the Prospectus Regulation, the Company is implementing a new Placing Programme for up to 40 million Ordinary Shares to satisfy ongoing market demand for its Ordinary Shares and to manage the premium to NAV per Ordinary Share at which the Ordinary Shares have typically traded at. The Company may raise additional capital in the period from 1 April 2020 to 31 March 2021 (inclusive) should the Board determine that market conditions are appropriate.

The Directors intend to use the Placing Proceeds to fund investments in accordance with the Company's investment policy as well as to fund any associated costs. It is possible, therefore, that for a period following any Programme Admission and at certain other times, the Company may hold cash awaiting investment, although the Directors and the Investment Manager are confident that the Placing Proceeds of each Placing will be invested promptly such that no more than ten per cent. of the Company's gross assets will be held in cash for any sustained period.

The net proceeds of the Placing Programme are dependent, among other things, on:

- the Directors determining to proceed with an issue of Placing Shares under the Placing Programme;
- the number of Placing Shares issued; and
- the Placing Programme Price determined in respect of each Placing.

No Placing under the Placing Programme is being underwritten.

There are no conflicting interests that are material to the Placing Programme.

RISK FACTORS

Investment in the Ordinary Shares carries a high degree of risk, including the risks in relation to the Company and the Ordinary Shares referred to below, which could materially and adversely affect the Company's business, financial condition and results. An investment in the Ordinary Shares should not be regarded as short-term in nature. Potential investors should review this Prospectus carefully and in its entirety and consider consulting an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in Ordinary Shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss which may result.

Prospective investors should note that the risks relating to the Company, its investments and the Ordinary Shares summarised in the section of this Prospectus headed "Summary" are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described below.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Ordinary Shares and should be used as guidance only. Additional risks and uncertainties relating to the Company that are not currently known to the Company, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Company's business, prospect and financial position and, if any such risk should occur, the price of the Ordinary Shares may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.

Risks relating to the Company's business

The past performance of the Company and the Investment Manager is not a guarantee of the future performance of the Company

The past performance of the Company is not indicative, or intended to be indicative, of future performance or results of the Company for several reasons. For example, the future performance and results of the Company are subject to fluctuating market conditions, changes in macro-economic factors and the availability of financing. Accordingly, there can be no guarantee that the future performance of the Company will reflect the historic performance of the Company.

The past performance of other funds managed by the Investment Manager (which have a markedly different risk profile from the Company) and its key individuals is not indicative, or intended to be indicative, of future performance or results of the Company.

Market conditions may delay or prevent the Company from making appropriate investments that generate attractive returns

Market conditions may have a negative impact on the Company's ability to identify and execute suitable investments that might generate acceptable returns. As evident during previous market downturns, market conditions have had a significant impact on investment pricing and liquidity levels. Market conditions may also restrict the supply of suitable investments at a price the Investment Manager considers may generate acceptable returns and to date, there are certain companies within the Company's Investable Universe in which the Company has been unable to invest as a result of such market conditions. Accordingly, market conditions (both positive and negative) and their consequences may have a material adverse effect on the Company's business, results of operations and cash flows.

Adverse market conditions could have a significant impact on the Company and the value of its investment portfolio

The value of the equity securities in the Company's investment portfolio may fluctuate and there is no guarantee that the amounts invested by the Company will be returned in whole or in part. Such investments entail a certain degree of risk and stock markets may periodically experience short-term volatility as a result of adverse macroeconomic conditions, political instability and uncertainty, inflation, adverse weather events, war, terrorism, civil disturbances and other unpredictable factors. The value of the Company's investments could be significantly reduced by such factors both globally and in the jurisdictions where the

Company invests, including in particular the UK, Europe and the United States. Adverse macroeconomic conditions or the materialisation of one or more of the above factors could have a material adverse effect on the Company's results of operations and the value of the Ordinary Shares.

In particular, a new strain of coronavirus which causes the disease known as COVID-19, has quickly spread, resulting in severe illness and, in some cases, death and has been declared as a pandemic by The World Health Organisation. The spread of COVID-19 has adversely affected markets and world economies. Continued proliferation of COVID-19 may adversely affect the Company's investment portfolio, which could be more or less adverse depending on, among other things: geographical range, infection rates, severity and mortality of the virus; the types of measures taken by governments and private organisations to prevent the spread of the virus; the timing and efficacy of a vaccine; and the effect of the virus on global markets and interest rates. Early responses have included quarantines or bans on public events, each of which can adversely affect commerce, spending, local economies and businesses dependent on transportation and personal interaction.

In addition, the effects of such adverse market conditions could be amplified by the presence of short-sellers on the Company's register of members.

Uncertainty surrounding the negotiation and terms of the trade deal proposed to be entered into following the UK's withdrawal from the EU could have a material adverse effect on the value of the Ordinary Shares

As noted above, political instability or uncertainty could have a material adverse effect on the Company's results of operations and the value of the Ordinary Shares. In particular, the Company considers that the United Kingdom's withdrawal from the EU and the current absence of an agreement on the long term nature of the UK's relationship with the EU following the end of the Implementation Period, will create an uncertain political and economic environment in the UK and other EU Member States that could potentially last for a number of months or years. There is a material risk that the UK and the EU will not have agreed a long term trade deal by the end of the Implementation Period. The terms of any such trade deal (or the failure to agree mutually acceptable terms before the end of the Implementation Period), and the accompanying political and economic uncertainty surrounding the UK's withdrawal from the EU, could result in deteriorating macroeconomic conditions, stock market uncertainty and/or dramatic fluctuations in pound sterling exchange rates, any of which could have a material adverse effect on the value of the Company's investments and accordingly, on the value of the Ordinary Shares.

The Company is reliant on the performance and retention of key personnel

The Company has outsourced all its operations to third party service providers (subject in the overall supervision of such service providers by the Board). Failure by any service provider to carry out its obligations in accordance with the terms of its appointment could result in negative implications for the Company. In particular, the Investment Manager relies on key individuals to identify and select investment opportunities and to manage the day-to-day affairs of the Company. There can be no assurance as to the continued service of these key individuals at the Investment Manager, and the departure of any of these from the Investment Manager without adequate replacement may have a material adverse effect on the Company's business prospects and results of operations. Accordingly, the ability of the Company to achieve its investment objective depends heavily on the experience of the Investment Manager's team. As such, the Company may not achieve its investment objective.

There can be no assurance that the Investment Manager will be successful in achieving the Company's investment objectives

The Company is dependent upon the Investment Manager's successful implementation of the Company's investment policy and ultimately on its ability to create an investment portfolio capable of generating attractive returns. This implementation will be subject to a number of factors, including market conditions and the timing of investments relative to market cycles, many of which (particularly over the short term) are beyond the control of the Company and difficult to predict.

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

Prior to investing in a company, the Investment Manager performs due diligence on the proposed investment. In doing so, it typically relies in part on information from third parties as a part of this due diligence. To the extent that the Investment Manager or other third parties fail to identify risks or liabilities associated with investee companies adequately, this could give rise to an investee company not fitting the Company's investment policy or unexpected losses and adverse performance. Such risks include cyber

risk management by investee companies.

The Company is not constrained to investing in diversified sectors or countries

The Company is not constrained on weightings in any sector or country. This may lead to the Company having significant exposure to portfolio companies from certain business sectors (for example, as at 27 March 2020, 46.81 per cent. of the Company's investments were held in companies listed in the U.S. and 39.01 per cent. of the Company's investments were held in companies in the information technology sector). Greater concentrations of investments in any one sector or geography may lead to greater volatility in the Company's investments and may adversely affect performance. This may be exacerbated by the small number of investments held at any one time.

The Company may dispose of its investments at a time when it will not be able to obtain the best value for its investments

While the Company is not a limited life company, and is under no obligation to sell its investments within a fixed time frame, there can be no assurance that, at the time the Company seeks to dispose of its investments, conditions in the relevant market will be favourable or that the Company will be able to maximise the returns on such disposed investments. If the Company were required to dispose of or reduce its stake in an investment on unsatisfactory terms, it may realise less than the last bid price at which the investment was previously recorded. As a result of the foregoing, there can be no assurances that the Company's portfolio will generate attractive returns for its Shareholders.

Interest rates may fluctuate

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable both by the Company and by investee companies on their borrowings. In addition, where the Company invests in high growth investee companies, any increase in interest rates will compress the growth of such companies and therefore affect their valuations. As such, interest rate fluctuations may reduce returns to investors.

The value of the Ordinary Shares could be adversely affected by exchange rate movements between pounds sterling and other currencies that the Company's investments may be denominated in

The Ordinary Shares are denominated in pounds sterling while the majority of the Company's investments are denominated in a currency other than pounds sterling. Accordingly, although the revenues of the Company's investee companies are typically global (and therefore have the effect of smoothing movements in share price caused by particular currency movements), the Company is nonetheless subject to the risk of movements in exchange rates. As a result, the pound sterling value of the Company's investments that are not denominated in pounds sterling may rise or fall solely on account of exchange rate fluctuations (including, without limitation, short term exchange rate fluctuations arising from the United Kingdom's withdrawal from the EU). The Company does not hedge its currency exposures, and changes in exchange rates may lead to a depreciation of the Company's NAV.

Failure to adequately protect personal information could have a material adverse effect on the Company

The Company and its service providers' (including the Investment Manager's) use of individually identifiable data of investors, employees and others is subject to a wide variety of local, national and international laws and regulations that apply to the collection, use, retention, protection, disclosure, transfer and other processing of such information and data. These data protection and privacy-related laws and regulations are becoming increasingly restrictive and complex and may result in greater regulatory oversight and increased levels of enforcement and sanctions. For example, the European Union's General Data Protection Regulation (Regulation (EU) 2016/679) ("**GDPR**") came in to force in May 2018 and was a major reform of the EU legal framework on the protection of personal data which empowers regulators to levy huge fines for breaches of the rules. This is a restrictive and complex legal framework which has resulted in a greater compliance burden with potentially significant associated compliance costs for the Company. Any failure by the Company, the Investment Manager or its other service providers to comply with GDPR or other applicable laws and regulations, or to protect such personal information and data, could result in significant litigation or enforcement action against the Company, including fines (which may be up to €20 million or 4 per cent. of global turnover (whichever is greater)), imprisonment of company officials and public censure, claims for damages by affected individuals and damage to the Company's reputation, any of which could have a material adverse effect on the Company and the value of the

Ordinary Shares.

As personal privacy and data protection become increasingly sensitive issues for regulators and lawmakers, the Company may also become exposed to potential liabilities as a result of differing views between regulators or courts on the protections that should apply to personal data. These and other privacy and security developments are difficult to anticipate and could have a material adverse effect on the Company and the value of the Ordinary Shares.

The Company has outsourced all of its operations to third party operators

The Company has outsourced all its operations to third party service providers. Failure by any service provider to carry out its obligations in accordance with the terms of its appointment could have a material adverse effect on the Company's business prospects and results of operations. Such failures could include cybersecurity breaches (which are described in further detail below) or other IT failures, fraud (including unauthorised payments by the administrator), poor record keeping and loss of assets and failure to collect all the Company's dividend income.

The Company is subject to the risk of cybersecurity breaches

The Company and its service providers (including the Investment Manager) may be prone to operational, information security and related risks resulting from failures of or breaches in cybersecurity.

A failure of, or breach in, cybersecurity ("**cyber incidents**") refers to both intentional and unintentional events that may cause the relevant party to lose proprietary information, suffer data corruption, or lose operational capacity. In general, cyber incidents can result from deliberate attacks ("**cyber-attacks**") or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g. through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e. efforts to make network services unavailable to intended users).

Cyber incidents may cause disruption and impact business operations, potentially resulting in financial losses, interference with the ability to calculate the Net Asset Value, impediments to trading, the inability of Shareholders to subscribe for, exchange or redeem Ordinary Shares, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

While the Company's service providers and the Investment Manager have established business continuity plans in the event of, and risk management strategies, systems, policies and procedures to seek to prevent, cyber incidents, there are inherent limitations in such plans, strategies, systems, policies and procedures, including the possibility that certain risks have not been identified. Furthermore, none of the Company, the Investment Manager and/or the other service providers can control the cybersecurity plans, strategies, systems, policies and procedures put in place by the entities in which the Company invests.

Risks relating to the Ordinary Shares

The market price of the Ordinary Shares may fluctuate widely in response to different factors and there can be no assurance that the Ordinary Shares of the Company will be repurchased by the Company even if they trade materially below their Net Asset Value

The market price of the Ordinary Shares may not reflect the value of the underlying investments of the Company and may be subject to wide fluctuations in response to many factors, including, amongst other things, additional issuances or future sales of the Company's shares or other securities exchangeable for, or convertible into, its shares in the future, the addition or departure of Board members or key individuals at the Investment Manager, divergence in financial results from stock market expectations, changes in stock market analyst recommendations or the investment trust sector as a whole, the Company or any of its assets, a perception that other market sectors may have higher growth prospects, general economic conditions, prevailing interest rates, legislative changes affecting investment trusts or the Company's investments and other events and factors within or outside the Company's control. Stock markets experience extreme price and volume volatility from time to time, and this, in addition to general economic, political and other conditions, may materially adversely affect the market price for the Ordinary Shares. The market value of the Ordinary Shares may therefore vary considerably from the Company's underlying Net Asset Value.

In particular, although the Company has put in place certain measures to narrow any discount at which the

Ordinary Shares may trade, there can be no assurance that the Directors will choose to implement such measures or that such measures will be successful in narrowing such discount. Accordingly, it is possible that the Ordinary Shares could trade at a value materially below their Net Asset Value for a prolonged period of time and there can be no assurance, express or implied that Shareholders will receive back the amount of their investment in the Ordinary Shares.

On the other hand, as a closed-ended vehicle, the Company is not required to continue to issue Ordinary Shares in the event that the Ordinary Shares trade at a premium to the Company's underlying NAV. Although the Placing Programme will give the Directors authority to issue up to 40 million New Ordinary Shares on a non-pre-emptive basis, there is no guarantee that the Directors will exercise their discretion to issue such shares, nor is there any guarantee that the Placing Programme will be renewed upon its expiry. Accordingly, it is possible that the price at which the Ordinary Shares can be purchased in the market will be materially higher than the Company's underlying NAV, which in turn could affect the liquidity of the Ordinary Shares.

Sales of Ordinary Shares by members of the Board or key individuals at the Investment Manager (or the possibility of such sales) may affect the market price of the Ordinary Shares

Sales of Ordinary Shares or interests in Ordinary Shares by the Board or key individuals at the Investment Manager could cause the market price of the Ordinary Shares to decline. While the Directors or key individuals at the Investment Manager may sell their Ordinary Shares in the market, a substantial amount of Ordinary Shares being sold, or the perception that sales of this type could occur, could cause the market price of the Ordinary Shares to decline. This may make it more difficult for Shareholders to sell the Ordinary Shares at a time and price that they deem appropriate.

Unlike income-focussed equities funds, the Company has a total return strategy and therefore may not be able to pay dividends to Shareholders

The Company's intention is to look for overall return rather than seeking any particular level of dividend income. Subject to the requirement to make distributions to maintain investment trust status, any dividends and other distributions paid by the Company will be made at the discretion of the Board. The payment of any such dividends or other distributions (if any) will depend on the Company's ability to generate realised profits (which, in turn, will depend on the Company's ability to acquire investments which pay dividends), its financial condition, its current and anticipated cash needs, its costs and net proceeds on sale of its investments, legal and regulatory restrictions and such other factors as the Board may deem relevant from time to time. As such, investors should have no expectation that dividends or distributions will be paid at all.

The market for the Ordinary Shares may cease to be liquid

The Company does not have a fixed winding up date and therefore, unless the Shareholders vote to wind up the Company, Shareholders will only be able to realise their investment through the market. Although the Ordinary Shares are listed on the Official List and traded on the Main Market, it is possible that there may not be a liquid secondary market for the existing and new Ordinary Shares. Over the last twelve months prior to the date of this Prospectus, the average daily trading volume for the Company has been 365,031 Ordinary Shares, representing 0.34 per cent. of the average number of Ordinary Shares in issue, as compared to a sector average of 0.25 per cent. Whilst the Company's daily liquidity may be greater than the sector average, it does indicate that liquidity in the Ordinary Shares historically has been limited. There is no guarantee that an active trading market in the Company's Ordinary Shares will be sustained. If an active trading market is not maintained, the liquidity and trading price of the Ordinary Shares may be adversely affected. Even if an active trading market continues, the market price of the Ordinary Shares may not reflect the value of the underlying investments of the Company.

The Ordinary Shares issued pursuant to the Placing Programme or any future share issuance programme will dilute existing Shareholders' voting rights

Although the Directors intend to issue the Placing Shares at an Issue Price which is accretive to NAV, the Placing Shares (and any Ordinary Shares issued pursuant to future share issuance programmes) will be issued on a non-pre-emptive basis. To the extent they choose not to participate in the Placing Programme (or any future share issuance programme) *pro rata* to their existing shareholding, existing Shareholders will experience dilution in their overall proportion of ownership and voting interests in the Company. By way of example, on the assumption that 40 million Placing Shares are issued pursuant to the Placing Programme, an existing Shareholder who does not subscribe for any Placing Shares will suffer dilution of approximately

25 per cent. to his shareholding in the Company as a result of the Placing Programme.

The Company may use gearing in certain circumstances

Where an investment trust is geared, its net asset value and price performance would be expected to represent an amplification of any upward or downward movement in the investment trust's portfolio as a result of price changes of the investments contained therein. In the event that interest rates rise and the interest required to be paid by the Company increases, returns to investors will be reduced. The Company is permitted to borrow for short-term liquidity purposes or for discount management purposes including purchase of its own shares. Since the Company's borrowings are limited to 15 per cent. of the Net Asset Value at the time of draw down of such borrowings, however, where the Company employs borrowings for discount management purposes, the amount that the Company is permitted to borrow may not be sufficient to close the discount at which the Ordinary Shares are trading.

The assets of the Company could be deemed to be "plan assets" that are subject to the requirements of ERISA or Section 4975 of the US Internal Revenue Code, which could restrain the Company from making certain investments, and result in excise taxes and liabilities

Under the current Plan Asset Regulations, if interests held by Benefit Plan Investors are deemed to be "significant" within the meaning of the Plan Asset Regulations (broadly, if Benefit Plan Investors hold 25 per cent. or greater of any class of equity interest in the Company) then the assets of the Company may be deemed to be "plan assets" within the meaning of the Plan Asset Regulations. Since the Company is unable to monitor whether Benefit Plan Investors or investors acquire Ordinary Shares and therefore, there can be no assurance that Benefit Plan Investors will never acquire Ordinary Shares or that, if they do, the ownership of all Benefit Plan Investors will be below the 25 per cent. threshold discussed above or that the Company's assets will not otherwise constitute "plan assets" under Plan Asset Regulations.

Although it is not expected to occur, if the Company's assets were deemed to constitute "plan assets" within the meaning of the Plan Asset Regulations, certain transactions that the Company might enter into in the ordinary course of business and operation might constitute non-exempt prohibited transactions under ERISA or the US Internal Revenue Code, resulting in excise taxes or other liabilities under ERISA or the US Internal Revenue Code. In addition, any fiduciary of a Benefit Plan Investor or an employee benefit plan subject to Similar Law that is responsible for the Plan's investment in the Ordinary Shares could be liable for any ERISA violations or violations of such Similar Law relating to the Company.

Risk relating to regulation and taxation

Investment trust status

It is the intention of the Directors to continue to conduct the affairs of the Company so as to satisfy the conditions under section 1158 of the CTA 2010 and the Investment Trust Regulations and, accordingly, for the Company to retain approval as an investment trust. In respect of each accounting period for which the Company is an approved investment trust, the Company will be exempt from UK corporation tax on chargeable gains. There is a risk that if the Company fails to maintain its status as an investment trust, the Company would be subject to the normal rates of corporation tax on chargeable gains arising on the transfer or disposal of investments and other assets, which could adversely affect the Company's financial performance, its ability to provide returns to its Shareholders or the post-tax returns received by its Shareholders. In addition, it is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain investment trust status, as the Ordinary Shares are freely transferable. In the event that the Company fails to continue to satisfy the criteria for maintaining investment trust status, the Company will, as soon as reasonably practicable, notify Shareholders of this fact.

Overseas taxation

Since the majority of the Company's investments are in investee companies which are established in jurisdictions outside the UK, there is a risk that the Company may be subject to tax (including withholding tax) under the tax rules of the jurisdictions in which its investee companies are established. Although the Company will endeavour to minimise any such taxes this may affect the level of returns to Shareholders.

Changes in tax legislation or practice

Statements in this Prospectus concerning the taxation of Shareholders or the Company are based on UK tax law and practice as at the date of this Prospectus.

Any changes to the tax status of the Company or any of its underlying investments, or to tax legislation or practice (whether in the UK or in jurisdictions in which the Company invests), could affect the value of 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 the applicable rates of tax and availability of reliefs).

Prospective investors should consult their tax advisers with respect to their own tax position before deciding whether to invest in the Company.

Alternative Investment Fund Managers Directive

The AIFM Directive shall continue to apply to the Investment Manager and the Company until the expiry of the Implementation Period. The AIFM Directive seeks to regulate alternative investment fund managers ("**AIFMs**") and imposes obligations on AIFMs in the EU, those who market shares in such funds to EU investors and certain other service providers, such as depositaries. It is currently expected that it will continue to apply to the Investment Manager and the Company in substantially similar form to the current legislation following the end of the Implementation Period. In order to maintain authorisation under the AIFM Directive, AIFMs and depositaries need to comply with various organisational, operational and transparency obligations, which may create significant additional compliance costs, some of which may be passed to investors in the alternative investment funds ("**AIFs**") and may affect dividend returns.

The Company is (until the expiry of the Implementation Period) an EU AIF for the purposes of the AIFM Directive and related regimes in relevant EU member states. The Company has appointed the Investment Manager (which, as an EU-AIFM is subject to the full requirements of the AIFM directive), as its AIFM.

Following the end of the Implementation Period (and subject to any long term arrangements agreed between the UK and EU) the Company will become a non-EU AIF which is managed by a non-EU AIFM. Accordingly, the Investment Manager will no longer be entitled to market the Ordinary Shares in EU Member States pursuant to the passporting rules set out in the AIFM Directive. Instead, the Investment Manager will be required to rely on the individual national private placement regimes in each Member State (which are not harmonised) if it wishes to market the Ordinary Shares in the EU.

IMPORTANT INFORMATION

Prospective Shareholders should rely only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than as contained in this Prospectus 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 or Investec or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the Prospectus Regulation Rules, the Listing Rules and the Disclosure Guidance and Transparency Rules neither the delivery of this Prospectus nor any subscription made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to its date.

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

In connection with each Placing, Investec or any of its affiliates acting as an investor for its or their own account(s) may subscribe for relevant Placing 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 applicable Placing or otherwise. Accordingly, references in this Prospectus to the Placing Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, Investec or any of its affiliates acting as an investor for its or their own account(s). Investec 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.

If you are in doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant, legal or professional adviser or other financial adviser.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any manufacturer (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares being the subject of each Placing, under the Placing Programme have been subject to a product approval process, which has determined that such Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to any Placing under the Placing Programme.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

Data protection

When an application is made to subscribe for Placing Shares, the Company and/or Link Asset Services in its capacity as Registrar will collect data about the prospective Shareholder, such as the name of the Shareholder, their address, the number of Placing Shares they subscribe or wish to subscribe to, account details, and proof of identity, together with such other personal data as is required in connection with the administration of the prospective Shareholder's interest in the Company ("**Personal Data**"). This 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) and/or Link Asset Services in accordance with applicable data protection legislation and regulatory requirements of the United Kingdom. It will be stored on the Company and/or Link Asset Services or other third party processor's computer systems and manually, and will be retained for as long as is necessary in order to administer the interests in the Company and for any period thereafter which is required in order for the Company to comply with its reporting obligations.

The Company is required by Data Protection Legislation to specify the purposes for which it will hold Personal Data. The Company and/or Link Asset Services (together with any third party, functionary, or agent appointed by the Company) will use and process such data for the following purposes:

- for or in connection with the subscription for, and holding of, Placing Shares, including processing Personal Data in connection with credit and money laundering checks on the prospective Shareholder;
- to communicate with the prospective Shareholder as necessary in connection with the proper running of the Company's business affairs and generally in connection with the subscription for, and holding of, Placing Shares;
- to provide Personal Data to such third parties as are or shall be necessary in connection with the proper running of the Company's business affairs and generally in connection with the subscription for, and holding of, Placing Shares or as Data Protection Legislation may require, including to third parties outside the United Kingdom or the European Economic Area (subject to the use of a transfer mechanism which is approved at the relevant time by the European Commission or any other regulatory body which has or acquires the right to approve methods of transfer of personal data outside the UK); and
- for the Company and/or Link Asset Services' internal record keeping and reporting obligations.

The legal basis for processing Personal Data for the purposes set out above, is the legitimate interests of the Company and/or Link Asset Services in carrying out the business of the Company and maintaining the register of members of the Company and/or (in some cases) that the processing is necessary for compliance with a legal obligation to which the Company and/or Link Asset Services is subject.

The Company is a data controller in respect of Personal Data and for the purpose of Data Protection Legislation. All prospective Shareholders whose Personal Data has been submitted in connection with an application for an interest in the Company have a right to:

- be told about the data that the Company and/or Link Asset Services hold about them and to receive a copy of the information that constitutes Personal Data about them, on request;
- request access to and rectification or erasure of Personal Data, restriction of processing concerning the prospective Shareholder, and the right to data portability (as set up in, and subject to limits imposed by Data Protection Legislation);
- withdraw consent to processing, to the extent that processing is based on consent; and
- lodge a complaint about processing with the UK data protection supervisory authority (the Information Commissioners Office).

If you wish to exercise any of these rights, or wish to contact the Company and/or Link Asset Services about your Personal Data, you should submit a written application to the Company via the Company Secretary at Mermaid House, 2 Puddle Dock, London, EC4V 3DB and/or Link Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

Where a third party provides Personal Data about a prospective Shareholder to the Company and/or Link Asset Services, the third party represents and warrants to the Company and/or Link Asset Services, that it has collected and transferred such data to the Company and/or Link Asset Services in accordance with

Data Protection Legislation.

Regulatory information

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

Investment considerations

The contents of this Prospectus 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 Placing Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of the Placing 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 Placing Shares.

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

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

It should be remembered that the price of the Placing Shares, and the income from such Placing Shares (if any), can go down as well as up.

This Prospectus should be read in its entirety before making any investment in the Placing Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the memorandum of association and the Articles which investors should review. A summary of the Articles is contained in Part 7 of this Prospectus under the section headed "Articles of association".

Forward looking statements

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company, the Directors and the Investment Manager concerning, amongst other things, the investment strategy, investment performance, results of operations, financial condition, prospects and the dividend policies of the Company and the companies in which it will invest. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in general market conditions, legislative or regulatory changes, changes in taxation regimes or development planning regimes, the Company's ability to invest the proceeds of any Placing in suitable investments on a timely basis and the availability and cost of capital for future investments.

Potential investors are advised to read this Prospectus in its entirety, and, in particular, the section of this Prospectus entitled "Risk Factors" for a further discussion of the factors that could affect the Company's future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Prospectus may not occur or may not occur as foreseen.

These forward-looking statements speak only as at the date of this Prospectus. Subject to its legal and regulatory obligations (including under the Listing Rules, the Prospectus Regulation Rules, the DTRs, the Market Abuse Regulation and the Takeover Code), the Company expressly disclaims any obligations to

update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

No statements in this Prospectus, including forward looking statements, in any way seek to qualify the working capital statement made in paragraph 10 of Part 7 of this Prospectus.

Presentation of financial information

All financial information for the Company is prepared in accordance with IFRS as adopted by the European Union (or the UK, following the expiry of the Implementation Period) and, unless otherwise indicated, the financial information in this Prospectus has been prepared in accordance with IFRS as adopted by the European Union. In making an investment decision, prospective investors must rely on their own examination of the Company from time to time and the terms of the relevant Placing.

Presentation of industry, market and other data

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to the Company's business and the track record of the Investment Manager contained in this Prospectus consists of estimates based on data and reports compiled by professional organisations and analysts, information made public by investment vehicles previously managed by the Investment Manager, on data from other external sources and on the Company's, the Directors' and Investment Manager's knowledge of the markets in which the Company invests. Information regarding the macroeconomic environment has been compiled from publicly available sources. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Company to rely on internally developed estimates. The Company takes responsibility for compiling, extracting and reproducing market or other industry data from external sources, including third parties or industry or general publications, but none of the Company, the Investment Manager or Investec has independently verified that data. The Company gives no assurance as to the accuracy and completeness of, and takes no further responsibility for, such data. Similarly, while the Company believes its and the Investment Manager's internal estimates to be reasonable, they have not been verified by any independent sources and the Company cannot give any assurance as to their accuracy.

Currency presentation

Unless otherwise indicated, all references in this Prospectus to "GBP", "pounds sterling", "£", "pence" or "p" are to the lawful currency of the UK.

Governing law

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales.

Website

The contents of the Company's website, www.smithson.co.uk, do not form part of this Prospectus. Investors should base their decision whether or not to invest in the Placing Shares on the contents of this Prospectus alone.

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 Republic of Ireland (and may not be registered in the Republic of Ireland on or after the expiry of the Implementation Period) 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 (prior to the expiry of the Implementation Period), the Republic of Ireland).

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

Notice to prospective investors in the Republic of Ireland

The Ordinary Shares that are the subject of this Prospectus, have not been and shall not be offered, sold, transferred or delivered in Ireland other than to qualified investors (within the meaning of the Prospectus Regulation).

The Placing Programme does not require the publication, or passporting into Ireland, of an approved prospectus for Irish prospectus law purposes, prior to the expiry of the Implementation Period. This Prospectus has not therefore been filed with or approved by the Central Bank of Ireland.

Notice to prospective investors in Jersey

Subject to certain exemptions (if applicable), the Company shall not raise money in Jersey by the issue anywhere of the Placing Shares, and this Prospectus relating to the Placing Shares shall not be circulated in Jersey, without first obtaining consent from the Jersey Financial Services Commission pursuant to the Control of Borrowing (Jersey) Order 1958, as amended. No such consents have been obtained by the Company. Subject to certain exemptions (if applicable), offers for securities in the Company may only be distributed and promoted in or from within Jersey by persons with appropriate registration under the Financial Services (Jersey) Law 1998, as amended. It must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company.

Notice to prospective investors in Guernsey

Ordinary Shares in the Company may only be offered or sold in or from within the Bailiwick of Guernsey either (i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the "**POI Law**"); or (ii) to persons licensed under the POI Law or persons licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, as amended, the Insurance Managers and Intermediaries (Bailiwick of Guernsey) Law, 2002, as amended, or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc., (Bailiwick of Guernsey) Law, 2000, as amended.

Notice to investors in the Isle of Man

This Prospectus has not been, and is not required to be, filed or lodged with any regulatory or other authority in the Isle of Man. The Company is not subject to any regulatory approval in the Isle of Man. Shareholders in the Company are not protected by any statutory compensation arrangements in the event of the Company's failure and the Isle of Man Financial Services Authority does not vouch for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it .

For the attention of United States residents and US Persons

The Placing Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any State or any other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S). In addition, the Company has not been and will not be registered under the US Investment Company Act, and investors will not be entitled to the benefits of the US Investment Company Act. The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Placing Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Placing Shares in the United States or to US Persons may constitute a violation of US law or regulation. Applicants for Placing Shares will be required to certify that they are not US Persons and are not subscribing for Placing Shares on behalf of US Persons. Any person in the United States who obtains a copy of this Prospectus is requested to disregard it.

Packaged retail and insurance-based investment products ("PRIIPs")

Investors should be aware that the PRIIPs Regulation requires the Investment Manager, as a PRIIP manufacturer, to prepare a Key Information Document in respect of the Ordinary Shares. This KID must be made available by the Company to retail investors prior to them making any investment decision and is

available on the Company's website at www.smithson.co.uk. The content of the KID is highly prescriptive, both in terms of the calculations underlying the numbers and the narrative, with limited ability to add further context and explanations, and therefore the KID should be read in conjunction with other material produced by the Company, including this Prospectus and, in future, the annual reports which will be available on the Company's website.

Compulsory transfer provisions

Although the Ordinary Shares are freely transferable, there are certain circumstances in which the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of the Ordinary Shares. These circumstances, which principally apply only to US investors who might purchase Ordinary Shares in the market, include where a transfer of Ordinary Shares would cause, or is likely to cause: (i) the assets of the Company to be considered "plan assets" under the Plan Asset Regulations; (ii) the Company to be required to register under the US Investment Company Act, or the Investment Manager 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 the Foreign Account Tax Compliance Provisions (commonly known as FATCA).

These procedures may materially affect at the time and a price that they may deem appropriate.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

EXPECTED TIMETABLE

| | |
|---|--|
| Date of this Prospectus | 1 April 2020 |
| Placing Programme opens | 1 April 2020 |
| Programme Admission and commencement of dealings in Placing Shares issued pursuant to the Placing Programme | 8.00 a.m. on each day Placing Shares are issued pursuant to the Placing Programme |
| CREST accounts credited in respect of uncertificated Placing Shares issued pursuant to the Placing Programme | as soon as possible after 8.00 a.m. on each day Placing Shares are issued in uncertificated form pursuant to the Placing Programme |
| Where applicable, despatch of definitive share certificates for Placing Shares issued pursuant to the Placing Programme | approximately one week following the relevant Programme Admission |
| Latest date for Placing Shares to be issued pursuant to the Placing Programme | 31 March 2021 |

PLACING PROGRAMME STATISTICS

| | |
|--|---|
| Maximum number of Placing Shares to be issued and allotted in aggregate pursuant to the Placing Programme ⁽¹⁾ | 40 million Placing Shares |
| Placing Programme Price | not to be less than the NAV (cum income) per existing Ordinary Share together with a premium to cover the <i>pro rata</i> expenses of the issue |

(1) The number of Placing Shares to be issued pursuant to each Placing is not known at the date of this Prospectus but will be notified by the Company via an RIS announcement prior to the relevant Programme Admission.

DEALING CODES

The dealing codes for the Ordinary Shares are as follows:

| | |
|---------|----------------------|
| ISIN: | GB00BGJWTR88 |
| SEDOL: | BGJWTR8 |
| Ticker: | SSON |
| LEI: | 52990070BDK2OKX5TH79 |

DIRECTORS AND ADVISERS

Directors

Mark Pacitti (Chairman)
Diana Dyer Bartlett
Lord St. John of Bletso

Registered office and directors' business address

Mermaid House
2 Puddle Dock
London EC4V 3DB

Investment Manager

Fundsmith LLP
33 Cavendish Square
London W1G 0PW

Sponsor and Broker

Investec Bank plc
30 Gresham Street
London EC2V 7QP

Legal advisers to the Company as to English and US law

Travers Smith LLP
10 Snow Hill
London EC1A 2AL

Legal advisers to the Sponsor and Broker as to English law

Gowling WLG (UK) LLP
4 More London Riverside
London SE1 2AU

Auditor and Reporting Accountant

Deloitte LLP
1 New Street Square
London EC4A 3BZ

Company Secretary

PraxisIFM Fund Services (UK) Limited
Mermaid House
2 Puddle Dock
London EC4V 3DB

Administrator

Northern Trust Global Services SE
6, rue Lou Hemmer
L-1748 Senningerberg
Luxembourg

Depositary

Northern Trust Global Services SE
6, rue Lou Hemmer
L-1748 Senningerberg
Luxembourg

Registrar

Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

PART 1 - THE COMPANY

Introduction

Smithson Investment Trust plc (LEI: 52990070BDK2OKX5TH79) was incorporated under the laws of England and Wales on 14 August 2018. The Company is an externally managed investment trust with an unlimited life and is targeting raising new capital through the issue of up to 40 million Ordinary Shares pursuant to the Placing Programme. The Company is listed on the premium segment of the Official List and the Ordinary Shares are traded on the premium segment of the Main Market of the London Stock Exchange.

The Company is not regulated by the FCA or any other regulatory authority but is subject to the Listing Rules and the Disclosure Guidance and Transparency Rules. The Listing Rules include a listing principle that a listed company must ensure that it treats all holders of the same class of shares that are in the same position equally in respect of the rights attaching to such shares. The Directors intend, at all times, to continue to conduct the affairs of the Company so as to enable it to retain approval as an investment trust for the purposes of section 1158 of the CTA 2010, as amended.

The Company has entered into the Investment Management Agreement with the Investment Manager, pursuant to which the Investment Manager manages the Company's investments and assets in accordance with the Company's investment policy. The Investment Manager is the Company's AIFM for the purposes of the AIFM Directive. A summary of the Investment Management Agreement is set out in paragraph 9 of Part 7 of this Prospectus.

Reasons for publication of this Prospectus

On 19 October 2018 the Company completed its IPO on the Main Market of the London Stock Exchange where it raised gross proceeds of £822.5 million through the issue of 82,250,958 Ordinary Shares pursuant to the Initial Issue at 1,000 pence per Ordinary Share. The opening NAV per Ordinary Share was 1,000.0p with the costs of the Initial Issue being borne by the Investment Manager. Following the deployment of the proceeds of the IPO, the Company has raised additional capital through the issue of Ordinary Shares pursuant to the First Placing Programme and pursuant to the Company's general authority to issue shares. A total of 22,749,042 Ordinary Shares were issued pursuant to the First Placing Programme raising gross proceeds of approximately £259.4 million, with a further 13,515,958 Ordinary Shares issued to date under the Company's existing general authority, raising further gross proceeds of £172.9 million. On each occasion, after taking into account expenses relating to the issue, these issues of Ordinary Shares have been NAV accretive and all the net proceeds have been invested in accordance with the Company's investment objective and investment policy.

With the Company having exhausted substantially all of its capacity to issue Ordinary Shares in accordance with the Prospectus Regulation, the Company is implementing a new Placing Programme for up to 40 million Ordinary Shares to satisfy ongoing market demand for its shares and to manage the premium to NAV per Ordinary Share at which the Ordinary Shares have typically traded at. Following the passing of the resolutions at the Annual General Meeting, the Company may raise additional capital in the period from 1 April 2020 to 31 March 2021 (inclusive) should the Board determine that market conditions are appropriate.

The Placing Programme is intended to be flexible and may have a number of closing dates in order to provide the Company with the ability to issue and allot Placing Shares pursuant to a number of Placings over a period of time.

This Prospectus is required to be published under the Prospectus Regulation in order to permit each Programme Admission under the Placing Programme.

Investment objective

The Company's investment objective is to provide Shareholders with long term growth in value through exposure to a diversified portfolio of shares issued by listed or traded companies.

Investment policy

The Company's investment policy is to invest in shares issued by small and mid sized listed or traded companies globally with a market capitalisation (at the time of investment) of between £500 million to £15

billion (although the Company expects that the average market capitalisation of the companies in which it invests to be approximately £7 billion).

The Company's approach is to be a long-term investor in its chosen stocks. It will not adopt short-term trading strategies. Accordingly, it will pursue its investment policy by investing in approximately 25 to 40 companies as follows:

- (a) the Company can invest up to 10 per cent. in value of its Gross Assets (as at the time of investment) in shares issued by any single body;
- (b) not more than 20 per cent. in value of its Gross Assets (as at the time of investment) can be in deposits held with a single body. In applying this limit all uninvested cash (except cash representing distributable income or credited to a distribution account that the Depositary holds) should be included;
- (c) not more than 20 per cent. in value of its Gross Assets (as at the time of investment) can consist of shares issued by the same group. When applying the limit set out in (a), this provision would allow the Company to invest up to 10 per cent. in the shares of 2 companies which are members of the same group (as at the time of investment);
- (d) the Company's holdings in any combination of shares or deposits issued by a single body must not exceed 20 per cent. in value of its Gross Assets (as at the time of investment) overall;
- (e) the Company must not acquire shares issued by a body corporate and carrying rights to vote at a general meeting of that body corporate if the Company has the power to influence significantly the conduct of business of that body corporate (or would be able to do so after the acquisition of the shares). The Company is to be taken to have power to influence significantly if it exercises or controls the exercise of 20 per cent. or more of the voting rights in that body corporate; and
- (f) the Company must not acquire shares which do not carry a right to vote on any matter at a general meeting of the body corporate that issued them and represent more than 10 per cent. of the shares issued by that body corporate.

The Company may also invest cash held for working capital purposes and awaiting investment in cash deposits and money market funds.

For the purposes of this investment policy, certificates representing certain shares (for example, depositary interests) will be deemed to be shares.

Hedging policy

The Company will not use portfolio management techniques such as interest rate hedging and credit default swaps.

The Company will not use derivatives for purposes of currency hedging or for any other purpose.

Borrowing policy

The Company has the power to borrow using short-term banking facilities to raise funds for short-term liquidity purposes or for discount management purposes including the purchase of its own shares, provided that the maximum gearing represented by such borrowings shall be limited to 15 per cent. of the Net Asset Value at the time of draw down of such borrowings. The Company may not otherwise employ leverage.

Investment restrictions

The Company will comply with the investment restrictions set out below and will continue to do so for so long as they remain requirements of the FCA:

- (a) neither the Company nor any of its subsidiaries will conduct any trading activity which is significant in the context of the group as a whole;
- (b) the Company must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with the published investment policy; and
- (c) not more than 10 per cent. of its Gross Assets at the time an investment is made will be invested in other closed-ended investment funds which are listed on the Official List.

The Directors do not currently intend to propose any material changes to the Company's investment

policy, save in the case of exceptional or unforeseen circumstances. As required by the Listing Rules, any material change to the investment policy of the Company will be made only with the approval of Shareholders.

In the event of any breach of the investment restrictions applicable to the Company, Shareholders will be informed of the remedial actions to be taken by the Company through an RIS announcement.

The small and medium sized market opportunity

The Company's investments are and will be focused on small and medium ("**SMID**") sized listed or traded companies globally, which are companies with a market capitalisation of between £500 million and £15 billion. The Investment Manager focuses on investing in those companies it believes can compound in value over many years. It seeks to achieve this by selecting companies that have an established track record of success, such as having already established a dominant market share in their niche product or service or having brands or patents which others would find difficult, if not impossible, to replicate.

The Investment Manager believes such SMID sized companies tend to out-perform large companies. As an example, the MSCI World SMID Cap Index, a group of global companies with an average market capitalisation of £1.8 billion as at 29 February 2020, has increased in value at an annual rate of 6.3 per cent. per year over the past 20 years. This compares to the MSCI World Large Cap Index, comprising global large companies with an average size of £36.0 billion, which had an annual return of 4.0 per cent. over the same timeframe.

The Investment Manager believes there is also an investment opportunity to take advantage of greater discrepancies between the share price and valuation of SMID sized companies, in part due to lighter research coverage and less information being available on them. For example, in the United States, the median "Mid Cap" stock has 45 per cent. fewer analysts covering it than the median "Large Cap" stock. The median "Small Cap" stock has one-quarter of the number of analysts covering it than the median "Large Cap" stock.

The Investment Manager also believes that SMID sized companies tend to have higher expected returns but also higher expected risk, defined as price volatility (a measure of how much its price moves over time), when compared to larger companies. However, adding a small and mid cap portfolio to a large cap portfolio can raise expected returns without increasing risk, due to the different risk and return characteristics that SMID sized companies provide.

The Investment Manager seeks to invest in SMID sized companies that exhibit strong profitability that is sustainable over time and generate substantial cash flow that can be reinvested back into the business. Its strategy is not to overpay when buying the shares of such companies and then do as little dealing as possible in order to minimise the expenses of the Company, allowing the investee companies' returns to compound for Shareholders with minimum interference.

The Investment Manager looks to avoid companies that are heavily leveraged or forced to rely upon debt in order to provide an adequate return, as well as sectors and industries that innovate very quickly and are rapidly changing. It instead focuses on companies that have exhibited an ability to continue outperforming competitors and will look for companies that rely heavily on intangible assets in industries such as information technology, health care and consumer goods.

While the Investment Manager recognises that SMID sized companies exhibit higher share price volatility than large companies, it focuses on holding the Company's investments over the long-term and, therefore, will not be forced to act when market prices are unattractive.

Current portfolio

Currently, the Company is invested in 30 companies, having an average market capitalisation of £7.1 billion as at 29 February 2020 and a median founding year of 1972.

The unaudited net asset value (calculated on the AIC basis) of the Company, as at the close of business on 27 March 2020, was 1,111.91 pence per Ordinary Share.

The geographic split of the portfolio (by listing venue), as well as certain of its financial characteristics and information on the sectors in which the Company has invested are presented below to provide a comprehensive and meaningful analysis of the securities held by the Company as at 27 March 2020 (being the latest practicable date prior to the publication of this Prospectus).

Portfolio composition

The Company is invested across a broad range of sectors, as illustrated in the below table which is presented using the GICS sector categories for reference. Information is presented as at 27 March 2020.

| GICS Sector | % of NAV (unaudited) |
|------------------------|-----------------------------|
| Information technology | 39.01 |
| Industrials | 21.78 |
| Healthcare | 17.80 |
| Consumer discretionary | 7.05 |
| Communication services | 5.10 |
| Consumer staples | 4.26 |
| Financials | 3.39 |
| Materials | 1.41 |
| Cash | 0.21 |

Turning to the geographic split, the markets in which the Company has invested (by listing venue) are presented below as at 27 March 2020:

| Geographic split (by listing venue) | % of NAV (unaudited) |
|--|-----------------------------|
| USA | 46.81 |
| UK | 22.68 |
| Denmark | 7.65 |
| Switzerland | 5.85 |
| Australia | 5.70 |
| Italy | 4.22 |
| New Zealand | 3.59 |
| Germany | 3.30 |
| Cash | 0.21 |

As at 27 March 2020, being the latest practicable date prior to the publication of the Prospectus, the Company's portfolio comprised 30 investments, representing 99.8 per cent of Net Asset Value, with a further 0.2 per cent held in cash (including money market accounts). These holdings were as follows:

| Investee company | % of NAV (unaudited) |
|--|-----------------------------|
| Rightmove plc | 5.37 |
| Check Point Software Technologies Ltd. | 5.15 |
| Masimo Corporation | 5.12 |
| Verisk Analytics, Inc. | 4.96 |
| Ansys, Inc. | 4.43 |
| Fevertree Drinks plc | 4.26 |
| Equifax, Inc. | 4.09 |
| Recordati S.p.A. | 4.05 |
| Cognex Corporation | 3.92 |
| Domino's Pizza Group plc (UK) | 3.87 |
| Halma plc | 3.71 |
| Verisign, Inc. | 3.70 |
| IPG Photonics Corporation | 3.70 |
| Fisher and Paykel Healthcare Corporation Limited | 3.59 |
| Ambu A/S-B | 3.47 |
| MSCI, Inc. | 3.39 |

| Investee company | % of NAV (unaudited) |
|--|-----------------------------|
| Geberit AG-Reg | 3.26 |
| A.O. Smith Corporation | 3.24 |
| Domino's Pizza Enterprises Limited (Australia) | 3.19 |
| Sabre Corporation | 2.91 |
| Simcorp A/S | 2.77 |
| Temenos AG-Reg | 2.59 |
| Technology One Limited | 2.52 |
| Spirax-Sarco Engineering plc | 2.30 |
| Paycom Software, Inc. | 2.19 |
| Diploma plc | 2.05 |
| Rational AG | 1.88 |
| Nemetschek SE | 1.41 |
| CHR Hansen Holding A/S | 1.41 |
| Abcam plc | 1.40 |

Performance track record

The unaudited performance of the Company's portfolio to 28 February 2020 is shown below:

Performance overview, % return (unaudited)

| | 28 February 2020 | 2020 to 28 February 2020 | 2019 | 2018* | Inception to 28 February 2020 | Annualised to 28 February 2020 |
|------------------------------|-----------------------------|---|-------------|--------------|--|---|
| Smithson NAV ¹ | -4.7 | -14.5 | +33.2 | -5.8 | +19.9 | +14.2 |
| Smithson share price | -11.9 | -12.2 | +29.8 | +0.0 | +14.0 | +10.1 |
| Equities ² | -6.2 | -7.6 | +21.9 | -8.3 | +3.4 | +2.5 |
| UK bonds ³ | +0.7 | +2.4 | +3.8 | +2.1 | +8.5 | +6.2 |
| Cash ⁴ | +0.1 | +0.1 | +0.8 | +0.2 | +1.2 | +0.8 |

* From 19.10.18

¹ Source: Bloomberg, starting NAV 1000.

² MSCI World SMID Index, £ Net, source: www.msci.com

³ Bloomberg/Barclays Bond Indices UK Govt 5-10 yr, source: Bloomberg

⁴ Month £ LIBOR Interest Rate, source: Bloomberg

Investment Manager

Under the Investment Management Agreement, Fundsmith LLP, the Investment Manager, which is authorised and regulated in the UK by the Financial Conduct Authority, has been appointed by the Company as its Investment Manager and in such capacity acts as discretionary investment manager to the Company within the strategic guidelines set out in the Company's investment policy and subject to the oversight of the Board.

The Investment Manager was founded in 2010 and shortly thereafter launched The Fundsmith Equity Fund, a conviction-led global equities fund with an equivalent strategy to the Company's (but with a focus on larger capitalisation, potentially lower risk investments). It subsequently launched Fundsmith Emerging Equities Trust plc, which invests in listed and traded companies with exposure to the increasing consumer classes in developing economies.

The investment management team is led by Simon Barnard as investment manager and Will Morgan as assistant investment manager, both of whom lead in the identification and selection of the Company's pipeline of potential investments, including the provision of investment and portfolio management services relating to the ongoing management of the assets. They report to Terry Smith as CEO and CIO of Fundsmith LLP. Terry also provides advice and support to Simon and Will as required. Simon and Will are also assisted by Jonathan Imlah as research analyst.

Further details in relation to the Investment Manager and the Investment Manager's team are set out in Part 3 of this Prospectus. A summary of the terms of the Investment Management Agreement is provided in paragraph 9 of Part 7 of this Prospectus.

Capital structure

The Company's issued share capital as at the date of this Prospectus is comprised of the Ordinary Shares currently in issue.

Shareholders who hold Ordinary Shares are entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each Ordinary Share held.

On a winding up, provided the Company has satisfied all of its liabilities, the Shareholders are entitled to all of the surplus assets of the Company.

The Company's Articles contain provisions that permit the Directors to issue C Shares from time to time. C Shares are shares which convert into Ordinary Shares only when a specified proportion of the net proceeds of issuing such C Shares have been invested in accordance with the Company's investment policy (prior to which the assets of the Company attributable to the C Shares are segregated from the assets of the Company attributable to the Ordinary Shares). A C Share issue would therefore permit the Board to raise further capital for the Company whilst avoiding any immediate dilution of investment returns for existing Shareholders which may otherwise result.

The Ordinary Shares carry the right to receive all dividends declared by the Company, subject to the right of the C Shares (if any have been issued by the Company) to receive dividends that the Directors resolve to pay out of the net assets attributable to the C Shares and from income received and accrued which is attributable to the C Shares.

On 15 November 2019, the Company repurchased and cancelled the single B Deferred Share which was issued to the Investment Manager in connection with the Company's IPO. The B Deferred Share carried no rights to vote or to any dividends or other distributions, save for the return of 1p once £100 billion has been returned to holders of Ordinary Shares.

Further issues

The Board was authorised, at the time of the IPO, to allot a maximum of 121.4 million Ordinary Shares (the "**Existing Authority**"). These Ordinary Shares were permitted to be allotted on a non-pre-emptive basis, provided that the issue price was no lower than the latest published NAV per Ordinary Share at their time of issue (plus costs of the issue). To date, 118,515,958 Ordinary Shares have been issued by the Company pursuant to the Existing Authority.

Pursuant to the resolutions passed at the Annual General Meeting, the Board has been authorised to allot up to 40 million Ordinary Shares on a non pre-emptive basis pursuant to the Placing Programme and an additional 23,653,190 Ordinary Shares on a non-pre-emptive basis pursuant to the Company's general authority to allot shares. The authorities granted at the Annual General Meeting supersede and replace the Existing Authority.

As noted under "Capital Structure" above, the Articles contain provisions that permit the Directors to issue C Shares from time to time and a C Share issue would permit the Board to raise further capital for the Company whilst avoiding any immediate dilution of investment returns for existing Shareholders which may otherwise result.

Discount management

Purchase of own shares

The Directors have the authority to purchase in the market up to 14.99 per cent. of the Ordinary Shares in issue as at the date of this Prospectus. This authority will expire at the conclusion of the Company's

next annual general meeting or if earlier, 18 months from the date on which the resolution conferring the authority was passed. The Directors intend to seek annual renewal of this authority from Shareholders at each annual general meeting. Whether the Company purchases any such Ordinary Shares, and the timing and the price paid on any such purchase, will be at the discretion of the Directors. Ordinary Shares which are bought back may be cancelled or held in treasury. It is the current intention of the Directors to hold any Ordinary Shares which have been bought back in treasury. Ordinary Shares held in treasury may be sold by the Company at prices equal to or above the prevailing Net Asset Value per Ordinary Share.

Continuation Vote

If after the end of the fourth financial year of the Company's existence (being 31 December 2022) or any subsequent year, the Ordinary Shares have traded, on average, at a discount in excess of 10 per cent. of Net Asset Value per Ordinary Share in any such year, the Directors will consider proposing a special resolution at the Company's next annual general meeting that the Company ceases to continue in its present form. If such vote is proposed and passed, the Board will be required to formulate proposals to be put to Shareholders within four months to wind up or otherwise reconstruct the Company, having regard to the liquidity of the Company's underlying assets. Any such proposals may incorporate arrangements which enable investors who wish to continue to be exposed to the Company's investment portfolio to maintain some or all of their existing exposure.

The discount or premium at which the Ordinary Shares trade on each Business Day in a financial year for the purposes of the continuation vote mechanism will be determined by reference to the closing bid price of the Ordinary Shares on each relevant Business Day and the most recently published Net Asset Value per Ordinary Share.

Dividend policy

The Company's intention is to look for overall return rather than seeking any particular level of dividend income. The Company complies with the investment trust rules regarding distributable income but does not expect significant income from the shares in which it invests.

Any dividends and distributions will be at the discretion of the Board. Subject to the Companies Act, the Company may, by ordinary resolution, declare dividends to be paid to Shareholders according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.

Subject to the Companies Act, the Board may from time to time pay to the Shareholders such interim dividends as appear to the Board to be justified by the profits available for distribution and the position of the Company, on such dates and in respect of such periods as it thinks fit.

Were the Company to be in a position to pay a dividend, then it may, subject to complying with all relevant criteria and with the approval of the Shareholders by ordinary resolution, choose to offer Shareholders a scrip dividend alternative or may establish a scrip dividend scheme that would allow Shareholders to receive Ordinary Shares instead of a cash dividend.

Investment trust status

The Company intends at all times to conduct its affairs so as to enable it to retain approval as an investment trust for the purposes of section 1158 of the CTA 2010.

In summary, in order for the Company to be eligible as an investment trust:

- all or substantially all of the Company's business consists of investing its funds in shares, land or other assets with the aim of spreading investment risk and giving Shareholders the benefit of the results of the management of its funds;
- the Company's Ordinary Shares (and any other class of ordinary shares which are issued by the Company from time to time) must be admitted to trading on a regulated market, such as the main market of the London Stock Exchange, throughout the accounting period; and
- the Company must not be a venture capital trust (within the meaning of Part 6 of the Income Tax Act 2007) or UK REIT (within the meaning of Part 12 of the CTA 2010).

In order for the Company to maintain its investment trust status it, broadly, must:

- not be a close company;
- not retain in respect of any accounting period an amount which is greater than 15 per cent. of its income for the period;
- notify HMRC if it revises its published investment policy (and provide HMRC with a copy of any revised published investment policy); and
- notify HMRC if it breaches the regime.

The AIFM Directive

The Company operates as an externally managed EEA domiciled AIF with a full-scope-EEA AIFM for the purposes of the AIFM Directive. Accordingly, the Investment Manager has notified the FCA in accordance with Article 31 of the AIFM Directive, of its intention to market the Company in the UK and, until the expiry of the Implementation Period, the Republic of Ireland pursuant to the AIFM Directive's passporting rules.

NMPI Status

The Company is not deemed to be a non-mainstream pooled investment because, as an investment trust, the Ordinary Shares are "excluded securities" under the FCA's rules on NMPIs.

Duration

The Company has been established with an unlimited life.

PART 2 - DIRECTORS AND ADMINISTRATION

The Directors

The Directors are responsible for managing the business affairs of the Company in accordance with the Articles and the investment policy and have overall responsibility for the Company's activities including its investment activities and reviewing the performance of the Company's portfolio.

The Directors may delegate certain functions to other parties such as the Investment Manager, the Administrator, the Company Secretary, the Depositary and the Registrar. In particular, the Directors have delegated responsibility for day to day management of the investments comprised in the Company's portfolio to the Investment Manager. The Directors have responsibility for exercising supervision of the Investment Manager.

Mark Pacitti (Chairman)

Mark qualified as a chartered accountant in 1986 with Ernst & Young and thereafter undertook a wide range of corporate finance roles, including investment banking and a three-year period in industry. He went on to specialise in corporate finance advisory work and became a partner in Deloitte in 1999. Over the course of his 35-year career, including ten as Deloitte London partner in charge, and five as global leader, both within corporate finance advisory, Mark has advised on more than 150 deals. He has typically helped to guide middle-market transaction and investment strategies for private/private equity backed businesses and major corporates to drive shareholder value. He served as chairman of the ICAEW's corporate finance faculty from 2015 to 2018 and is currently chairman of the board of Arran (Scotland) Limited, a portfolio company of private equity investor Endless LLP.

Diana Dyer Bartlett

After qualifying as a chartered accountant with Deloitte Haskins & Sells, Diana spent five years in investment banking with Hill Samuel Bank. Since then she has held a number of roles as finance director of various venture capital and private equity backed businesses and listed companies involved in software, financial services, renewable energy and coal mining. She was also company secretary of Tullett Prebon plc and Collins Stewart Tullett plc. Diana is currently a non-executive director and chairman of the audit committee of SmartSpace Software plc, Rutherford Health plc and Mid Wynd International Investment Trust plc.

Lord St. John of Bletso

Lord St. John has been an active member of the House of Lords since 1978. He serves as non-executive Chairman of Strand Hanson Ltd., Integrated Diagnostic Holdings plc, and Yellow Cake plc. He also serves as a non-executive director of Falcon Group, Albion Capital Group LLP and Empati Ltd. He has advisory roles with GeoBear Engineering, Bell Technologies, Betway, 17Arm and Wet Holdings. He worked for almost 20 years in the City with Natwest Securities, Smith New Court and Merrill Lynch. He qualified and practised as a lawyer in South Africa after graduating with BA, BScSc, BProc and LLM degrees. He serves as extra Lord in Waiting to HRH the Queen.

Corporate governance

The Listing Rules require that the Company must "comply or explain" against the UK Corporate Governance Code (the "**Governance Code**"). In addition, the Disclosure Guidance and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements.

The Directors have considered the principles and recommendations of the AIC Code. The AIC Code addresses all the principles set out in the 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 provides better information to Shareholders.

The Company complies, so far as is possible given the Company's size and nature of business, with the AIC Code. The areas of non-compliance by the Company with the AIC Code are as follows:

The 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 Code, the Board considers that 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 has not established a nomination committee or a remuneration committee, which is not in accordance with provisions 17 and 32 respectively of the Governance Code. As all of the Directors are independent and non-executive, the Company considers that the Board as a whole can fulfil the role otherwise undertaken by such committees.

Audit Committee

The Company's Audit Committee, which is comprised of all the Directors and chaired by Diana Dyer Bartlett, meets formally at least twice a year. Its responsibilities include the review of the Company's interim and year-end reports, the appointment, independence and remuneration of the external auditor, any non-audit work to be undertaken by the external auditor, the risk management and control processes of the Company, the need for any internal audit function and to challenge the assumptions and qualifications in respect of the Company's going concern and viability statements.

Management Engagement Committee

The Company's Management Engagement Committee, which is comprised of all the Directors and chaired by Lord St John of Bletso, meets formally at least twice a year. Its responsibilities include the review of the performance of the Investment Manager and other key service providers to the Company (other than the external auditor). It also reviews the compliance by the Investment Manager with the Company's investment policy and the Investment Management Agreement.

Other committees and matters reserved to the Board

As noted above, the Board fulfils the responsibilities typically undertaken by a nomination committee and a remuneration committee.

The Board also has overall responsibility for the Company's activities, including reviewing its investment activity, performance, business conduct and policy and, unless required to be performed by the Investment Manager as a matter of law, certain matters have been reserved for consideration by the Board, including (but not limited to):

- approving the Company's long term objective and any decisions of a strategic nature including any change in investment objective, policy and restrictions, including those which may need to be submitted to Shareholders for approval;
- reviewing the performance of the Company in light of the Company's strategy objectives and budgets ensuring that any necessary corrective action is taken;
- approving the risk management policies for the Company including insurance, hedging and borrowing limits;
- the appointment, overall supervision and removal of key service providers and any material amendments to the agreements or contractual arrangements with any key delegates or service providers;
- approving any interim dividends, any recommendation to shareholders in respect of final dividends and the Company's dividend policy;
- the review of the Company's corporate governance arrangements; and
- approving any actual or potential conflicts of interest.

Directors' share dealings

The Directors have adopted a code of directors' dealings in Ordinary Shares, which is in accordance with the Market Abuse Regulation. The Board is responsible for taking all proper and reasonable steps to ensure any dealings by Directors, or persons closely associated with them, are in compliance with the Market Abuse Regulation.

Service providers

Set out below are the identities of the Company's material service providers and a summary of the services provided to the Company under the terms of the respective agreements that the Company has entered into with such service providers.

Without prejudice to any potential right of action in common law that a Shareholder may have to bring a claim against a service provider to the Company, each Shareholder's contractual relationship in respect of its investment in Ordinary Shares in the Company is with the Company only. Therefore, no Shareholder will have any contractual claim against any service provider with respect of such service provider's default pursuant to the terms of the agreement that it has entered into with the Company. The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 13D of the FSMA (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 13D of the Financial Services and Markets Act 2000, or in tort, against any service provider in connection with their investment in the Company should consult their legal adviser.

Depositary

The Depositary of the Company is the UK branch of Northern Trust Global Services SE (LEI: HWIPDOTRM1EKRPKYKH81). Northern Trust Global Services SE is an authorised credit institution established in Luxembourg under Chapter 1 of Part 1 of the Luxembourg law of 5 April 1993 on the financial sector, and is authorised by the European Central Bank and subject to the prudential supervision of both the European Central Bank and the Luxembourg *Commission de Surveillance du Secteur Financier*. Its UK branch is regulated by the FCA in the conduct of its UK depositary activities.

The Depositary was incorporated as a private limited company under the laws of England and Wales on 11 June 2003. It re-registered as a public company under the Companies Act 2006 on 3 April 2018 and then as a *societas Europaea* in Luxembourg with registered number B232281 on 8 October 2018. The Depositary's registered office in Luxembourg is 6, rue Lou Hemmer, L-1748 Senningerberg, Luxembourg and its principal place of business in the UK is at 50 Bank Street, London E14 5NT, United Kingdom. Any reference to the Depositary in the Prospectus is to the UK branch of the Depositary.

The Depositary's telephone number (for its principal place of business in the UK) is +44 (0)207 982 2000 and its website is <https://www.northerntrust.com>. The information on the Depositary's website does not form part of this Prospectus.

Subject to applicable law, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegate to sub-delegate) any part of its safekeeping duties as Depositary. It has delegated custody services to The Northern Trust Company (London branch), which is authorised and regulated by the FCA and which in turn may appoint sub-custodians in jurisdictions where the Company may make investments.

The Depositary Agreement (which is described in further detail in paragraph 9(v) of Part 7 of this Prospectus) contains provisions indemnifying the Depositary and limiting the liability of the Depositary in certain circumstances.

Administrator

Northern Trust Global Services SE has been appointed as Administrator to the Company pursuant to the Accounting and Administration Services Agreement (further details of which are set out in paragraph 9 of Part 7 of this Prospectus). Under the terms of the Accounting and Administration Services Agreement, the Investment Manager has delegated the performance of certain valuation services it provides pursuant to the terms of the Investment Management Agreement to the Administrator.

The Administrator is responsible for the maintenance of the books and financial accounts of the Company and the calculation, in conjunction with the Investment Manager, of the Net Asset Value of the Company and the Ordinary Shares.

Company Secretary

Praxis IFM Fund Services (UK) Limited has been appointed as Company Secretary to the Company and provides company secretarial services to the Company pursuant to the Company Secretarial Agreement

(further details of which are set out in paragraph 9 of Part 7 of this Prospectus).

The Company Secretary is responsible for co-ordinating and assisting with the production of the Company's half-yearly and annual reports, regulatory compliance and providing support to the Board's corporate governance process and its continuing obligations under the Listing Rules and the Disclosure Guidance and Transparency Rules. In addition, the Company Secretary is responsible for liaising with the Company, the Investment Manager, the Registrar and the Administrator in relation to the payment of any dividends, as well as general secretarial functions required by the Companies Act (including but not limited to the maintenance of the Company's statutory books).

Registrar

Link Asset Services has been appointed as the Company's Registrar pursuant to the Registrar Agreement (further details of which are set out in paragraph 9 of Part 7 of this Prospectus).

Nominee

Link Market Services Trustees Limited has been appointed to provide nominee services pursuant to the Nominee Services Agreement (further details of which are set out in paragraph 9 of Part 7 of this Prospectus).

Broker

Investec has been appointed as corporate broker to the Company.

Auditor

Deloitte LLP is registered to carry on audit work in the UK and the Republic of Ireland by the Institute of Chartered Accountants in England and Wales and has been the only auditor of the Company since its incorporation. The annual report and accounts are prepared in accordance with IFRS as adopted by the European Union.

Fees and expenses

Placing Programme

The costs and expenses of the Placing Programme that are payable by the Company are estimated to be approximately 0.5 per cent. of the gross proceeds of the Placing Programme. Only the listing fees, the fees and commissions payable to Investec under the Sponsor and Placing Agreement and a company secretarial fee of £500 plus VAT in respect of each Placing under the Placing Programme will be borne by the Company. All other costs of the Placing Programme will be directly borne by the Investment Manager.

Investment Manager's fees

The Investment Manager is entitled to a fee of an amount equal to 1/365 multiplied by 0.9 per cent. of the market capitalisation of the Company accruing daily but payable monthly in arrear. No performance fee is payable.

Other fees and expenses

The Company also incurs further on-going annual fees and expenses, which includes the following:

- *Administrator*

Under the terms of the Accounting and Administration Services Agreement, the Administrator is entitled to an annual fee in respect of the valuation and accounting services it provides calculated by reference to the Company's NAV, being an amount equal to 2 basis points (save if the Net Asset Value of the Company were to drop to less than or equal to £500 million where it would become 3 basis points). The Administrator is, in addition, entitled to recover third party expenses and disbursements.

- *Company Secretary*

Under the terms of the Company Secretarial Agreement, the Company Secretary is entitled to an annual fee of £60,000 per annum in respect of the company secretarial services it provides, including assisting the Company's compliance with corporate governance requirements, regulatory compliance

and Listing Rule compliance. The Company Secretary is, in addition, entitled to receive a fee of £500 in respect of each Placing under the Placing Programme (or other issue of shares by the Company) and to recover reasonable third party expenses and disbursements.

- *Registrar*

The Registrar is entitled to an annual fee from the Company equal to £16,000 per annum. Other registrar activity is charged for in accordance with the Registrar's normal tariff as published from time to time.

- *Depositary*

The Depositary is entitled to an annual fee from the Company calculated by reference to the services performed (in respect of custody services) as well as a fee equal to 1.5 basis points of the Net Asset Value of the Company (in respect of depositary services). The Depositary is, in addition, entitled to recover reasonable third party expenses and disbursements.

- *Nominee*

The Nominee is entitled to an annual fee from the Company equal to £7,500 per annum. The Nominee is also be entitled to reimbursement of all out-of-pocket expenses reasonably incurred by it in connection with its duties.

- *Directors*

The Directors are remunerated for their services at a fee of £25,000 per annum (£30,000 per annum for the Chairman and an additional £2,000 per annum for each committee chairperson). Further information in relation to the remuneration of the Directors is set out in Part 7 of this Prospectus.

- *Other operational expenses*

All other ongoing operational expenses (excluding fees paid to service providers as detailed above) of the Company are borne by the Company including, without limitation, the incidental costs of making its investments and the implementation of its investment objective and policy; travel, accommodation and printing costs; the cost of directors' and officers' liability insurance and website maintenance; audit and legal fees; and annual listing fees. All out of pocket expenses that are reasonably and properly incurred, of the Investment Manager, the Administrator, the Company Secretary, the Depositary, the Registrar and the Directors relating to the Company are borne by the Company. No fees or expenses, including those listed above, are borne by Shareholders. Under the Placing Programme, each Ordinary Share will be made available to investors at a price calculated by reference to the estimated (cum income) Net Asset Value of each existing Ordinary Share together with a premium intended to cover the costs and expenses of the initial investment of the amounts raised.

The above figures are all expressed to be exclusive of any VAT (if any) payable thereon.

Meetings and reports

The Company held its first annual general meeting on 30 March 2020 and its subsequent annual general meetings are expected to be held in the second quarter of each calendar year. The Company's audited report and accounts are prepared to 31 December each year, and although the Company's annual report and accounts for the period to 31 December 2019 were sent to Shareholders on 4 March 2020, it is expected that, going forward, copies will be sent in April each year or earlier if possible. Shareholders received unaudited interim reports in respect of the periods from (i) incorporation to 31 December 2018; and (ii) incorporation to 30 June 2019, both prepared in accordance with IAS 34 Interim Financial Reporting and the DTRs. Shareholders will continue to receive an unaudited interim receipt each year in respect of the periods to 30 June, expected to be despatched in August each year, or earlier if possible. The Company's audited annual report and accounts and interim reports are available on the Company's website.

The Company's annual and interim accounts are drawn up in sterling and in accordance with IFRS as adopted by the European Union (or the UK, following the expiry of the Implementation Period).

Net Asset Value publication and calculation

The Administrator, in conjunction with the Investment Manager, calculates the Net Asset Value and the Net Asset Value per Ordinary Share as at the end of each Business Day and reports such calculation to the

Board and the Investment Manager. The Administrator announces the Net Asset Value to Shareholders through a Regulatory Information Service. In the event the Net Asset Value is outside the expected range agreed with the Investment Manager, the Administrator seeks the Investment Manager's approval before announcing the Net Asset Value.

The Net Asset Value of the Company is calculated on the basis of the bid prices of the Company's underlying investments or a lower figure if, in the reasonable opinion of the Investment Manager, the underlying investment is worth less than the bid price. If trading in an underlying investment held by the Company is suspended, the last available bid price of that investment is used to calculate the Net Asset Value unless the Investment Manager believes another value is a better representation of the fair value of the investment.

These calculations are reported daily to Shareholders through a RIS announcement. The Company may delay public disclosure of the Net Asset Value to avoid prejudice to its legitimate interests, provided that such delay would not be likely to mislead the public and the Company has put in place appropriate measures to ensure confidentiality of that information.

The Board may determine that the Company should temporarily suspend the determination of the Net Asset Value per Ordinary Share when the prices of any investments owned by the Company cannot be promptly or accurately ascertained; however, in view of the nature of the Company's proposed investments, the Board does not envisage any circumstances in which valuations would be suspended. If the Board were to suspend the determination of Net Asset Value it would report the suspension to Shareholders through a Regulatory Information Service.

PART 3 - THE INVESTMENT MANAGER, INVESTMENT PROCESS AND STRATEGY

The Investment Manager

Fundsmith LLP (LEI: 213800M2ZZU4WORQU863) is a fund management business which was established on 16 April 2010 by Terry Smith. Fundsmith is a limited liability partnership established in England and Wales with registered number OC354233. The principal legislation under which the Investment Manager acts is the Limited Liability Partnership Act 2000. The business is 100 per cent. owned and controlled by its partners, who have worked closely together over many years, and is headquartered in London with an office in Connecticut, USA.

Fundsmith currently manages over £23 billion in one global equity strategy across three funds in different jurisdictions. Fundsmith is authorised and regulated by the FCA.

The investment management team is based in London and led by Simon Barnard as investment manager and Will Morgan as assistant investment manager. In addition, although he is not involved in the identification of potential investments and the day-to-day management of the portfolio, Terry Smith, CEO and CIO of Fundsmith LLP, also provides advice and support to Simon and Will, who look to draw on Terry's 45 years of experience and expertise. Jonathan Imlah also assists as research analyst.

Terry Smith

Terry Smith graduated in History with a 1st class degree from University College Cardiff in 1974. He worked for Barclays Bank from 1974 until 1983 and became an Associate of the Chartered Institute of Bankers in 1976. He obtained an MBA at The Management College, Henley in 1979. He became a stockbroker with W Greenwell & Co in 1984 and was the top-rated bank analyst in London from 1984 to 1989. In 1990 he became Head of UK Company Research at UBS Phillips & Drew, a position from which he was dismissed in 1992 following the publication of his bestselling book Accounting for Growth. He joined Collins Stewart shortly after, and became a director in 1996.

In 2000, he became Chief Executive and led the management buy-out of Collins Stewart, which was floated on the London Stock Exchange five months later. In 2003, Collins Stewart acquired Tullett Liberty and followed this in 2004 with the acquisition of Prebon Group, creating the world's second largest inter-dealer broker. Collins Stewart and Tullett Prebon were demerged in 2006. He founded Fundsmith in 2010. In 2012 he was appointed a Member of the New Zealand Order of Merit for his contribution to New Zealand-UK relations.

Simon Barnard, CFA

Simon Barnard joined Fundsmith in September 2017. He started his career at Goldman Sachs Asset Management in 2003 as a research analyst on the technology and industrial sectors. He moved to the consumer sector in 2008 and became the Global Lead Portfolio Manager for the consumer discretionary sector in 2012. In 2014 he was named Portfolio Manager of the "Global Income Builder Fund", a multi-asset strategy. Upon its launch in 2016 he became Portfolio Manager of the "Global Millennials Fund", a concentrated global equity growth fund. Simon has a First Class degree in Economics from Cambridge University and is a CFA charterholder.

Will Morgan, CFA

Will Morgan joined Fundsmith in July 2017. He previously spent 17 years at Goldman Sachs. He began his career there in 2000, initially in the asset management division, before moving to equity sales in 2002. In 2003 he joined the Global Investment Research division as an analyst covering the insurance sector, and became head of the team in 2008. In 2011 he moved to lead coverage of the Construction & Building Materials sector, becoming a Managing Director in 2013 and deputy head of the Industrials business unit. He became a sector specialist for Autos and Industrials in 2015. He has a First Class degree in Economics & Politics from the University of Bristol and is a CFA charterholder.

Jonathan Imlah

Jonathan joined Fundsmith LLP in December 2013 from Canaccord Genuity where he was the lead Technology analyst since 2010. He was previously at Altium Securities where he covered technology for 6 years, latterly as Head of Research. Prior to Altium, he worked in the large cap technology team at Dresdner Kleinwort covering pan European IT services. Jonathan was Techmark analyst of the year in

2007 and was number 1 or 2 in his sector in the FT Starmine survey between 2006 and 2010. Prior to taking up a career as an analyst Jonathan was a country investment report writer working in Spain, India, Russia, Hungary, Brazil, Peru, Zimbabwe and Guatemala. Jonathan has an MBA from INSEAD and a degree in French and Philosophy from St Andrews University and is a fluent Spanish speaker.

Investment process

The Investment Manager has stringent investment criteria which it will strictly adhere to in selecting securities for the Company's investment portfolio. These criteria aim to ensure that the Company invests in high quality businesses:

- that can sustain a high return on operating capital employed;
- that generate strong cashflows;
- that have a clearly identifiable source of secular growth to enable retained cash to be invested at a high rate of return;
- whose advantages are difficult to replicate;
- which do not require significant leverage to generate returns;
- that are resilient to change, particularly technological innovation;
- whose market capitalisation at the time of investment is between £500m and £15 billion; and
- whose valuation is considered by the Company to be attractive.

The application of these investment criteria significantly limits the number of potential investments which the Investment Manager considers to be appropriate investments for the Company's portfolio. Accordingly, the investment portfolio of the Company is, and is likely to remain, concentrated, generally comprising between 25 and 40 stocks. The Company is currently invested in 30 companies.

Investment methodology and management process

In pursuing this investment strategy, the Investment Manager seeks to apply the investment methodology and management process summarised below (to the extent appropriate given the nature of a relevant investment opportunity):

1 *Seeking high quality businesses with specific characteristics and intangible assets*

In the Investment Manager's view, a high quality business is one which can sustain a high return on operating capital employed and which generates substantial cash flow, as opposed to only creating accounting earnings. If it also reinvests some of this cash back into the business at its high returns on capital, the Investment Manager believes the cash flow will then compound over time, along with the value of the Company's investment.

The Investment Manager looks, not just for a current high rate of return, but also seeks a sustainable high rate of return. Fundamentally, such companies need to demonstrate the ability to continue out-competing all other companies which are trying to take a share of their profits. This can come in many forms, but the Investment Manager looks for companies that rely on intangible assets such as one or more of the following: brand names; patents; customer relationships; distribution networks; installed bases of equipment or software which provide a captive market for services, spares and upgrades; or dominant market shares.

The Investment Manager generally seeks to avoid companies that rely on tangible assets such as buildings or manufacturing plants, as it believes well financed competitors can easily replicate and compete with such businesses. In many instances, such competitors are able to become better than the original simply by installing the latest technology in their new factory. Banks are quite keen to lend against the collateral of tangible assets, and such companies tend to be more heavily leveraged as a result. The Investment Manager believes that intangible assets are much more difficult for competitors to replicate, and companies reliant on intangible assets require more equity and are less reliant on debt as banks are less willing to lend against such assets.

The Investment Manager believes such companies will resist the rule of mean reversion that states returns will revert to the average over time as new capital is attracted to business activities which earn above average returns. They can do this because their most important assets are intangible and difficult for a

competitor to replicate. Since stock markets typically value companies on the assumption that their returns will regress to the mean, businesses whose returns do not do so can become undervalued. This presents an opportunity for the Company.

The Investment Manager invests in and seeks businesses which have growth potential. The Investment Manager views growth potential as the ability of a company to be able to reinvest at least a portion of its excess cash flow back into the business to grow, whilst generating a high return on the cash thus reinvested. Over time, this should compound their shareholders' wealth by generating more than a pound of stock-market value for each pound reinvested.

The Investment Manager is interested in growth that is driven through either increases in volume or increases in price, and prefers a mixture of both. The ability to increase product prices above the rate of inflation is the most profitable way to grow and demonstrates that the company has a healthy competitive position selling products or services which are strongly desired by their customers. However, growth through price alone can build a shelter under which competitors can flourish, eventually resulting in cheaper competition gaining significant market share. On the other hand, growth through additional unit volumes almost always requires more cost, in both manufacturing capacity and materials used to produce the products, as well as transportation to get them to customers. Increasing scale in this way will eventually make a company's market position more difficult to compete against however, unlike growing through price alone, with the further benefit that volume growth can sometimes continue indefinitely.

The Company only invests in companies that earn a high return on their capital on an unleveraged basis and do not require borrowed money to function. The Investment Manager avoids sectors such as banks and real estate which require significant levels of debt in order to generate a reasonable shareholder return given their returns on unlevered equity investment are low.

While the Investment Manager favours companies that are able and willing to spend cash on the research and development of their products to create important intangible assets such as patents and manufacturing efficiency, it avoids industries that innovate very quickly and are subject to rapid technological change. Innovation is often sought by investors but does not always produce lasting value for them and can have high capital costs.

2 *Avoiding overpaying for shares*

The Company only invests in shares where the Investment Manager believes the valuation is attractive. The Investment Manager estimates the free cash flow of every company after tax and interest, but before dividends and other distributions, and after adding back any discretionary capital expenditure which is not needed to maintain the business. The Investment Manager aims to invest only when free cash flow per share as a percentage of a company's share price (the "free cash flow yield") reflects value relative to long-term interest rates and when compared with the free cash flow yields of other investment candidates both within and outside the Company's portfolio. The Investment Manager buys securities that it believes will grow and compound in value, which bonds cannot, at yields that are similar to or better than what the Company would get from a bond.

3 *Buying and holding*

The Company seeks to be a long-term, buy-and-hold investor. The Investment Manager believes this will facilitate the compounding of the Company's investments over time as the investee companies continue to reinvest their cash flows. The Investment Manager, however, continually tests its original views against new information it may discover while regularly reviewing the news and results concerning its investee companies. The resulting low level of dealing activity also minimises the frictional costs of trading, a cost which is often overlooked by investors as it is not normally disclosed as part of the costs of running funds.

4 *Not attempting market timing*

The Investment Manager does not attempt to manage the percentage invested in equities in the Company's portfolio to reflect any view of market levels, timing or developments. The Investment Manager's unwillingness to make investment decisions on the basis of market timing is one factor that should prevent the Company from investing in sectors that are highly cyclical.

Delegation by the Investment Manager

The Investment Manager has entered into a delegation agreement with Fundsmith Investment Services

Limited pursuant to which the Investment Manager has delegated responsibility for dealing operations to FIS. The Investment Manager retains overall responsibility for the actions of FIS pursuant to the terms of the Investment Management Agreement.

The Investment Manager has also delegated:

- certain fund accounting activities in connection with the calculation of the Net Asset Value of the Company and the Ordinary Shares to the Administrator (which in turn is permitted to sub-delegate these services to certain approved sub-delegates); and
- certain dealing desk facilities and the provision of execution analytics to Northern Trust Securities LLP.

Conflicts of interest and allocation policy

The Investment Manager and its officers and employees may from time to time act for other clients or manage other funds, which may have similar investment objectives and policies to that of the Company. For example, the Investment Manager manages certain open-ended funds which have a similar objective, such as The Fundsmith Equity Fund. 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. 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 basis. Such a situation might occur where an investment in the Company has grown to a size that it becomes within the investable universe of The Fundsmith Equity Fund.

The Investment Manager maintains an allocation policy which sets out the process to be followed where an investment opportunity falls within the investable universe of more than one of its funds or clients. Since the Investment Manager has a range of clients (both in terms of size and structure), the allocation policy specifies that investment opportunities should not be split on a pro-rata basis since the Investment Manager considers that this may not achieve the most appropriate result for each client. Instead, the Investment Manager will seek to make what it considers to be the appropriate level of investment in a new opportunity for each client, based on each individual client's available cash, investment policy and restrictions and any other prevailing requirements.

The Investment Manager also maintains a conflicts of interest policy which contains the details of identified conflicts or potential conflicts of interest and the procedures it follows in order to avoid, minimise and manage such conflicts or potential conflicts.

The Investment Manager is structured and organised in a way so as to minimise the risks of a client's interests being prejudiced by conflicts of interest and wherever possible tries to ensure that a conflict of interest does not arise. In the event that a conflict of interest cannot be avoided the Investment Manager always acts in the best interests of the Company and ensure that the Company is fairly treated.

If circumstances arise such that the Investment Manager's arrangements for avoiding and managing conflicts of interest are not sufficient to ensure with reasonable confidence that the risks of damage to the interests of the Company or its Shareholders will be prevented, the senior management of the Investment Manager must act to ensure that appropriate action is taken in the best interests of the Company and its Shareholders. Any such situation will be disclosed to Shareholders in the next annual or half yearly report together with details of the action taken by the Investment Manager to resolve the situation in the best interests of the Company.

The conflicts of interest policy and the allocation policy are reviewed by senior management of the Investment Manager whenever there are material changes in the business services to be offered by the Investment Manager.

PART 4 - HISTORIC FINANCIAL INFORMATION

1 Introduction

The Company's first accounting reference date was 31 December 2019 and statutory audited financial statements were published on 26 February 2020 for the period from incorporation to 31 December 2019.

2 Historical financial information

The published report and financial statements of the Company for the period from 14 August 2018 (the date of incorporation of the Company) to 31 December 2019 ("2019 Report and Accounts") included, on the pages specified in the table below, the following information:

| Information incorporated by reference into this prospectus | Page Numbers |
|---|---------------------|
| Chairman's statement | 4-6 (inclusive) |
| Key Performance Indicators | 10 |
| Investment Manager's Review | 12-17 (inclusive) |
| Principal Risks | 18-19 (inclusive) |
| Independent Auditor's Report | 41-47 (inclusive) |
| Statement of Comprehensive Income | 48 |
| Statement of Financial Position | 49 |
| Statement of Changes in Equity | 50 |
| Statement of Cash Flows | 51 |
| Notes to the Financial Statements | 52-64 (inclusive) |

3 Selected Financial Information

The key audited figures that summarise the financial condition of the Company in respect of the period from 14 August 2018 (incorporation) to 31 December 2019, which have been extracted without material adjustment from the 2019 Report and Accounts (unless otherwise indicated in the notes below the following tables), are set out in the following tables. Investors should read the whole of such report and not rely solely on the key or summarised information set out below:

Statement of Comprehensive Income

For the period from incorporation on 14 August 2018 to 31 December 2019

| | For the period from incorporation on 14 August 2018 to 31 December 2019 |
|---|--|
| Income from investments held at fair value through profit or loss (£'000) | 15,547 |
| Gains on investments held at fair value through profit or loss (£'000) | 239,338 |
| Losses on foreign exchange transactions (£'000) | (18) |
| Performance fees* (£'000) | Nil |
| Investment management fees (£'000) | (12,509) |
| Other expenses including transaction costs (£'000) | (2,820) |
| Profit before tax (£'000) | 239,538 |
| Tax (£'000) | (1,392) |
| Profit for the period (£'000) | 238,146 |
| Return per share (basic and undiluted) (p) | 242.49 |

**Under the terms of the Investment Manager's appointment, no performance fee is payable by the Company to the Investment Manager*

Statement of Financial Position

As at 31 December 2019

31 December 2019
(£'000)

| | |
|---|------------------|
| Non-current assets | |
| Investments held at fair value through profit or loss | 1,405,671 |
| Current assets | |
| Receivables | 1,653 |
| Cash and cash equivalents | 31,558 |
| Total assets | 1,438,882 |
| Current liabilities | |
| Trade and other payables | (1,577) |
| Total assets less current liabilities | 1,437,305 |
| Equity attributable to equity shareholders | |
| Share capital | 1,145 |
| Share premium | 1,198,014 |
| Capital reserve | 237,889 |
| Revenue reserve | 257 |
| Total equity | 1,437,305 |
| Net assets value per share (p) | 1,255.2 |

Statement of Changes in Equity

For the period from incorporation on 14 August 2018 to 31 December 2019

| | Share Capital £,000 | Share Premium £,000 | Capital Reserve £,000 | Revenue Reserve £,000 | Total £,000 |
|--|---------------------------|---------------------------|-----------------------------|-----------------------------|------------------|
| Balance at 14 August 2018 | - | - | - | - | - |
| Issue of shares at IPO | 822 | 821,687 | - | - | 822,509 |
| Issue of new shares on secondary market | 323 | 378,729 | - | - | 379,052 |
| Cost on new share issues on secondary market | - | (2,402) | - | - | (2,402) |
| Profit for the period | - | - | 237,889 | 257 | 238,146 |
| Balance as at 31 December 2019 | 1,145 | 1,198,014 | 237,889 | 257 | 1,437,305 |

Statement of Cash Flows

As at 31 December 2019

For the period from incorporation on
14 August 2018 to 31 December
2019
(£'000)

| | |
|--|-------------|
| Cash flows from operating activities | |
| Profit before tax | 239,538 |
| Adjustments for: | |
| Gain on investments | (239,338) |
| Loss on foreign exchange | 18 |
| Increase in receivables | (554) |
| Increase in payables | 1,577 |
| Overseas taxation paid | (1,707) |
| Net cash flow from operating activities | (466) |
| Cash flow from investing activities | |
| Purchases of investments | (1,205,635) |
| Sale of investments | 39,302 |
| Net cash flow from investing activities | (1,166,333) |
| Cash flows used in financing activities | |
| Proceeds from issue of new shares | 1,200,773 |
| Issue costs relating to new shares | (2,398) |
| Net cash flow from financing activities | 1,198,375 |
| Net increase in cash and cash equivalents | 31,576 |
| Effect of foreign exchange rates | (18) |
| Change in cash and cash equivalents | 31,558 |
| Cash and cash equivalents at start of the period | Nil |
| Cash and cash equivalents at the end of the period | 31,558 |
| Comprised of: Cash at bank | 31,558 |

4 Operating and financial review

The 2019 Report and Accounts (which are incorporated in this Prospectus by reference) included, on the pages specified in the table below, descriptions of the Company's financial condition (in both capital and revenue terms), changes in its financial condition and details of the Company's portfolio of investments for that period:

| | Page Numbers |
|---|-------------------|
| Financial Highlights | 2-3 (inclusive) |
| Chairman's Statement | 4-6 (inclusive) |
| Investments Held as at 31 December 2019 | 11 |
| Investment Manager's Review | 12-17 (inclusive) |

5 Documents Incorporated by Reference

The parts of the 2019 Report and Accounts, which have been previously published, referenced in this Part 4 (Financial Information on the Company for the period from 14 August 2018 (incorporation of the Company) to 31 December 2019) of this Prospectus shall be deemed to be incorporated in, and form part of, this Prospectus. The parts of the 2019 Report and Accounts not referenced in this Part 4 are either not relevant for investors or are covered elsewhere in this Prospectus. Copies of the 2019 Report and Accounts are available for inspection at the Company's registered office, set out on

page 4 of this Prospectus and on the Company's website at <https://smithson.co.uk/docs/default-source/smithson-annual-reports/smithson-investment-trust-financial-report-for-the-period-from-incorporation-to-31-december-2019.pdf?sfvrsn=2>.

PART 5 - THE PLACING PROGRAMME

The Placing Programme

The Directors are authorised to issue and allot up to 40 million Placing Shares through the Placing Programme, without having to offer those Placing Shares to existing Shareholders first (to the extent that Ordinary Shares are issued at a Placing Programme Price equal to or greater than the prevailing Net Asset Value per Placing Share as further described below). The total number of Placing Shares issued under the Placing Programme will be determined by the Company and the Investment Manager after taking into account demand for the Placing Shares.

The Placing Programme is being implemented to satisfy market demand and to enable the Company to raise additional capital in the period from 1 April 2020 to 31 March 2021 (inclusive) should the Board determine that market conditions are appropriate. The Placing Programme is intended to be flexible and may have a number of closing dates in order to provide the Company with the ability to issue and allot Placing Shares pursuant to a number of Placings over a period of time.

The number of Placing Shares available under the Placing Programme is intended to provide flexibility and should not be taken as an indication of the number of Placing Shares to be issued. Any issues of Placing Shares pursuant to a Placing under the Placing Programme will be notified by the Company through an RIS announcement and the Company's website prior to each Programme Admission.

No Placing under the Placing Programme will be underwritten. The terms and conditions which shall apply to any subscription for Placing Shares pursuant to the Placing Programme are contained in Part 8 of this Prospectus.

The Placing Programme is designed to be suitable for institutional, professional and highly knowledgeable investors (including those who are professionally advised). 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 Placing Shares issued under the Placing Programme.

Use of proceeds

The Directors intend to use the net proceeds of any Placing under the Placing Programme to acquire investments sourced by the Investment Manager in line with the Company's investment policy. Suitable investment opportunities may not be immediately available. It is possible, therefore, that for a period following each Programme Admission and at certain other times, the Company will have cash awaiting investment, although the Directors and the Investment Manager are confident that the Placing Proceeds of each Placing will be invested promptly such that no more than ten per cent. of the Company's gross assets will be held in cash for any sustained period.

The net proceeds of the Placing Programme are dependent, among other things, on:

- (i) the Directors determining to proceed with an issue of Placing Shares under the Placing Programme;
- (ii) the number of Placing Shares issued; and
- (iii) the Placing Programme Price determined in respect of each Placing.

Conditions

Each Placing under the Placing Programme is conditional, among other matters, on:

- (i) the applicable Placing Programme Price being determined by the Directors and the Company's broker (to the extent that Placing Shares are to be issued) as described below;
- (ii) the relevant Programme Admission occurring; and
- (iii) to the extent required under the Prospectus Regulation, a valid supplementary prospectus being published by the Company.

In circumstances where these conditions are not met, the relevant Placing will not take place.

Pricing

To the extent that Placing Shares are to be issued under the Placing Programme, the Placing Programme

Price in respect of any Placing will be determined by the Directors and the Company's broker by reference to the prevailing NAV per Ordinary Share and having regard to prevailing market conditions. Listing fees and fees and commissions payable to Investec under the Sponsor and Placing Agreement will be borne by the Company with all other costs (including any taxes) being borne by the Investment Manager. No expenses or taxes will be charged directly by the Company to investors.

The costs and expenses of the Placing Programme that are payable by the Company are estimated to be approximately 0.5 per cent. of the gross proceeds of the Placing Programme. By way of illustration, if 10 million Placing Shares were issued pursuant to the Placing Programme at a Placing Programme Price of £10 per Placing Share, the expenses of the Placing Programme would be approximately £500,000.

The Placing Programme Price in respect of Placing Shares will be notified via an RIS announcement as soon as practicable at the time of the relevant Placing.

Dilution

Assuming that the maximum number of 40 million Placing Shares is issued pursuant to the Placing Programme, the share capital of the Company in issue at the date of this Prospectus would, following the Placing Programme, be increased by approximately 34 per cent. as a result of the Placing Programme. On this basis, if existing Shareholders do not acquire any Placing Shares, their proportionate share capital and voting interest in the Company will be diluted by 25 per cent. Such dilution will not be affected by any fluctuation in the Net Asset Value during the Placing Programme or the Placing Programme Price(s).

Since the Placing Shares will be issued at the Placing Programme Price which includes a premium to the existing estimated NAV (cum income) per existing Ordinary Share to cover the listing fees and fees and commissions payable to Investec under the Sponsor and Placing Agreement, existing Shareholders will experience no dilution on a NAV per Share basis as a result of any issue of Placing Shares and the deduction of any costs and expenses incurred in connection with the Placing Programme.

Scaling back and allocation

The Directors may issue up to 40 million Placing Shares pursuant to the Placing Programme. Where applicable, the Company reserves the right to scale back applications in such amounts as it considers appropriate. The Company reserves the right to decline in whole or in part any application for Placing Shares pursuant to the Placing Programme.

Accordingly, applicants for Placing Shares may, in certain circumstances, not be allotted the number of Placing Shares for which they have applied.

The Company will notify investors of the number of Placing Shares in respect of which their application has been successful and the results of each Placing will be announced by the Company via an RIS announcement. Subscription monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant.

Termination arrangements

The Sponsor and Placing Agreement contains provisions entitling Investec to terminate any Placing (and the arrangements associated with it) at any time prior to the relevant Programme Admission in certain circumstances. If this right is exercised, the relevant Placing and those arrangements will lapse and any monies received in respect of that Placing will be returned to applicants without interest. Further details of the terms of the Sponsor and Placing Agreement are set out in paragraph 9 of Part 7 of this Prospectus.

Subscriber warranties

The terms and conditions of each Placing are set out in Part 8 of this Prospectus. Each subscriber of Placing Shares in any Placing and each subsequent investor in the Ordinary Shares will be deemed to have represented, warranted, acknowledged and agreed to the representations, warranties, acknowledgements and arrangements set out in sections 4 and 5 in Part 8 of this Prospectus.

The Company, the Investment Manager, Investec and/or any other placing agent, and their respective directors, officers, members, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

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

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) may require evidence in connection with any application for Placing Shares, including further identification of the applicant(s), before any Placing Shares are issued.

In the event that any significant new factor, material mistake or material inaccuracy relating to the information contained in this Prospectus or where any significant new factor, material change or inaccuracy relating to the information contained in this Prospectus arises after the publication of the Prospectus and prior to the Placing Programme End Date, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant new factor, material mistake or material inaccuracy. In the event that a supplementary prospectus is published after applications have been made in respect of a Placing but before the relevant Programme Admission, applicants may have a statutory right of withdrawal.

Clearing and settlement

Payment for the Placing Shares in the case of any Placing, should be made in accordance with settlement instructions to be provided to Placees. To the extent that any application for Placing Shares is rejected in whole or in part (whether by scaling back or otherwise), monies received will be returned without interest at the risk of the applicant.

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

CREST

CREST is a paperless settlement procedure operated by Euroclear 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 Ordinary Shares are admitted to CREST. Accordingly, settlement of transactions in the Placing Shares following the relevant Programme Admission may take place within the CREST system if any Shareholder so wishes.

The transfer of Ordinary Shares out of the CREST system following an issue of Placing Shares under the Placing Programme should be arranged directly through CREST. However, an investor's beneficial holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an uncertificated holding in definitive registered form.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. An investor applying for Placing Shares under the Placing Programme may elect to receive Ordinary Shares in uncertificated form if such investor is a system-member (as defined in the Regulations) in relation to CREST. If a Shareholder or transferee requests Placing Shares to be issued in certificated form and is holding such Placing Shares outside CREST, a share certificate will be despatched either to him or his nominated agent (at his risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Placing Shares. Shareholders holding definitive certificates may elect at a later date to hold such Placing Shares through CREST or in uncertificated form provided they carry out the usual CREST dematerialisation process with their CREST agent/broker.

Programme Admission and dealings

There will be no conditional dealings in Placing Shares prior to the relevant Programme Admission.

The securities to be admitted to trading pursuant to the Placing Programme are Ordinary Shares of the Company of £0.01 each, whose ISIN is GB00BGJWTR88, and whose SEDOL is BGJWTR8. The Placing Shares are denominated in pounds sterling. The ticker for Ordinary Shares is SSON.

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 issue Ordinary Shares. Accordingly, the dealing price of the Ordinary Shares may not necessarily reflect changes in the Net Asset Value per Ordinary Share.

The Ordinary Shares are in registered form and can also be held in uncertificated form. Prior to the despatch of definitive share certificates in respect of any Ordinary Shares which are held in certificated form, transfers of those Ordinary Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

Purchase and transfer restrictions

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Placing Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the Investment Manager or Investec. The Company has elected to impose the restrictions described below on the Placing Programme and on the future trading of the Placing Shares so that the Company will not be required to register the offer and sale of the Placing Shares under the Securities Act and will not have an obligation to register as an investment company under the US Investment Company Act and related rules and also to address certain ERISA, US Code and other considerations. These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of holders of the Placing Shares to trade such securities. The Company and its agents will not be obligated to recognise any resale or other transfer of the Placing Shares made other than in compliance with the restrictions described below. The Placing Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and the Placing Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act). There will be no public offer of the Placing Shares in the United States. The Placing Shares are being offered and sold outside the United States to non-US Persons in reliance on the exemption from registration provided by Regulation S under the Securities Act. Moreover, the Company has not been and will not be registered under the US Investment Company Act and investors will not be entitled to the benefits of the US Investment Company Act.

The Placing Shares and any beneficial interests therein may only be transferred in an offshore transaction in accordance with Regulation S: (i) to a person outside the United States and not known by the transferor to be a US Person, by pre-arrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

PART 6 - UK TAXATION

Introduction

The following statements are based upon current UK tax law and current published practice of HMRC as at the date of this Prospectus, both of which are subject to change, possibly with retrospective effect. The statements are intended only as a general guide and are not intended to be comprehensive. The statements may not apply to certain Shareholders, such as dealers in securities, insurance companies, trustees, collective investment schemes or Shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment, who may be subject to special rules. They apply only to Shareholders resident for UK tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents), who hold Ordinary Shares as an investment rather than trading stock and who are the absolute beneficial owners of those Ordinary Shares. Any statements made in respect of tax rates for individual UK Shareholders assume that the Shareholder is a UK resident individual who is neither a Scottish taxpayer nor a Welsh taxpayer. Different tax rates may apply to UK resident individuals who are Scottish taxpayers or Welsh taxpayers.

There may be other tax consequences of an investment in the Company and all prospective investors, in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers on the potential tax consequences of subscribing for, purchasing, holding or disposing of Ordinary Shares.

The Company

The Company has been approved by HMRC as an investment trust. It is the intention of the Directors to continue to conduct the affairs of the Company so that it satisfies the conditions necessary for this approval to be maintained. However, neither the Investment Manager nor the Directors can guarantee that this approval will be maintained.

In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust, the Company will be exempt from UK corporation tax on its chargeable gains. The Company will, however, (subject to what follows) be liable to UK corporation tax (currently at 19 per cent.) on its income in the normal way.

In principle, the Company will be liable to UK corporation tax on any dividend income it receives. However, there are exemptions from this charge which are expected to be applicable in respect of many of the dividends the Company will receive.

A company that is an investment trust in respect of an accounting period is able to take advantage of modified UK tax treatment in respect of its "qualifying interest income" for an accounting period (referred to here as the "streaming regime"). Pursuant to the streaming regime the Company may, if it so chooses, designate as an "interest distribution" all or part of any 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. It is not expected that the Company will have material amounts of qualifying interest income (if any), but to the extent that it does the Company may decide to designate some or all of the dividends paid in respect of a given accounting period as interest distributions.

To the extent that the Company receives income from, or realises amounts on the disposal of investments in, foreign countries it may be subject to foreign withholding or other taxation in those jurisdictions. To the extent it relates to income, this foreign tax may be able to be treated as an expense for UK corporation tax purposes, or it may be treated, to the extent not relievable under a double tax treaty, as a credit against UK corporation tax up to certain limits and subject to certain conditions.

Shareholders

Taxation of chargeable gains

Individual Shareholders who are resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal of Ordinary Shares. Individuals generally compute their gains by deducting

from the net sale proceeds the capital gains base cost in respect of their Ordinary Shares. The resulting gains will be taxable at the capital gains tax rate applicable to the individual (currently 10 per cent. for basic rate taxpayers and 20 per cent. for those whose total income and chargeable gains are above the higher rate threshold), and may be reduced by capital losses brought forward from previous tax years or losses in the year, and by annual exemptions (the annual exemption from capital gains tax for UK resident individuals is £12,000 for 2019/20 and £12,300 for 2020/21).

Shareholders within the charge to corporation tax are taxed on the chargeable gains made, computed by deducting from the net sales proceeds the chargeable gains base cost in respect of their Ordinary Shares. Shareholders within the charge to corporation tax do not qualify for the annual exemption. Indexation allowance was frozen with effect from 31 December 2017, and will not therefore apply to disposals of any Ordinary Shares which were acquired after such date.

Subject to the paragraph below (dealing with temporary non-residents) Shareholders who are not resident in the UK for UK tax purposes will not generally be subject to UK tax on chargeable gains, unless they carry on a trade, profession or vocation in the UK through a branch or agency, or (in the case of a company) carry on a trade in the UK through a permanent establishment, and the Ordinary Shares disposed of are used, held or acquired for the purposes of that branch, agency or permanent establishment, or used for the purposes of the trade. In addition, chargeable gains realised by non-residents on the disposal of interests in UK land, or assets deriving at least 75 per cent. of their value from UK land where the non-resident has a substantial indirect interest in that land, are subject to UK tax.

A Shareholder who is an individual, who has ceased to be UK resident for tax purposes in the UK for a period of five years or less and who disposes of Ordinary Shares during that period may be liable to UK taxation on capital gains on their return to the UK (subject to the relevant conditions being met and any available exemption or relief). If applicable, the tax charge will arise in the tax year that the individual returns to the UK.

Shareholders who are not resident in the UK may be subject to charges to foreign taxation depending on their personal circumstances.

Taxation of dividends – individuals

No tax is deducted from any dividends (including any "interest distributions") paid by the Company to Shareholders who are individuals, and there are no tax credits attached to any such dividends.

(a) *Dividends which are not designated as "interest distributions"*

For individual Shareholders resident in the UK, the first £2,000 of dividend distributions received in each tax year are free of income tax (the "annual dividend allowance").

Where an individual's dividend income from all sources exceeds the annual dividend allowance, the excess will be liable to income tax at the dividend tax rates reflecting the Shareholder's highest rate of tax. The dividend tax rates are 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers. Dividends received within a Shareholder's dividend allowance count towards total taxable income and affect the rate of tax due on any dividends received exceeding it.

(b) *"Interest distributions"*

Should the Directors elect to apply the streaming regime to any dividends paid by the Company, a UK resident individual Shareholder in receipt of such a dividend (an interest distribution) would be treated as though they had received a payment of interest. Depending on whether the Shareholder is a basic, higher or additional rate taxpayer, such a Shareholder would be subject to UK income tax at the current rates of 20 per cent., 40 per cent. or 45 per cent. respectively.

Each UK resident individual who is a basic rate taxpayer is entitled to a personal saving allowance which exempts the first £1,000 of savings income (which includes "interest distributions" from the Company) from income tax. The exempt amount is reduced to £500 for higher rate taxpayers, and additional rate taxpayers do not receive any such allowance.

Taxation of dividends – companies

No tax is deducted from any dividends (including any "interest distributions") paid by the Company to Shareholders who are companies.

(a) *Dividends which are not designated as "interest distributions"*

Subject to the discussion of "interest distributions" below, UK resident Shareholders within the charge to corporation tax will be subject to UK corporation tax on receipt of dividends, unless such dividends can be treated as an exempt distribution. This is dependent upon the satisfaction of certain conditions set out in Part 9A of the Corporation Tax Act 2009. There is no guarantee that such conditions will be satisfied and it will be necessary for Shareholders to consider their application in respect of every dividend received.

(b) *Interest distributions*

If the Directors were to elect for the streaming regime to apply, and such UK resident corporate Shareholders were to receive dividends designated by the Company as interest distributions, such UK resident corporate Shareholders would be subject to corporation tax on any such amounts received.

It is particularly important that prospective investors who are not resident in the UK for tax purposes obtain their own tax advice concerning tax liabilities on dividends received from the Company.

SIPPs and SSASs

The Directors have been advised that the Ordinary Shares should be eligible for inclusion in a UK self-invested personal pension (a "**SIPP**") or a UK self-administered scheme (a "**SSAS**"), subject to the terms of, and the discretion of the trustees (or, where applicable, the providers) of, the SIPP or the SSAS, as the case may be.

ISAs

Ordinary Shares issued by the Company should qualify as investments which are eligible for inclusion in an Individual Savings Account ("**ISA**"), subject to applicable annual subscription limits and eligibility requirements. Investments held in ISAs are free from UK tax on both capital gains and income.

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

Stamp duty and stamp duty reserve tax

Neither UK stamp duty nor stamp duty reserve tax ("**SDRT**") should arise on the issue of the Ordinary Shares.

Transfers on sale of Ordinary Shares outside of CREST will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the amount or value of the consideration given for the transfer, rounded up to the nearest £5. The purchaser normally pays the stamp duty. However, where the consideration for the transfer is £1,000 or less (and the instrument of transfer is certified that the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000) no stamp duty will be payable.

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

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

The above statements are intended as a general guide to the current stamp duty and SDRT position. Certain categories of person, including market makers, brokers and dealers may not be liable to stamp duty or SDRT and others (including persons connected with depositary arrangements and clearance services), may be liable at a higher rate of 1.5 per cent. or may, although not primarily liable for tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

Furthermore, where Ordinary Shares are transferred to a company or a company's nominee (whether or

not for consideration), and the person transferring the Ordinary Shares is connected with the company (or is a nominee of a person connected to the company), the transfer will be chargeable to stamp duty and/or SDRT (as applicable) based on the higher of the amount or value of the consideration (if any) for the transfer and the market value of the Ordinary Shares.

Inheritance tax

UK domiciled individuals are chargeable to UK inheritance tax ("IHT") in respect of property situated anywhere in the world. Individuals who are neither domiciled in the UK nor deemed domiciled in the UK for UK tax purposes are chargeable to IHT in respect of property situated in the UK only. Applying the general principle that shares are situated where they can be effectively dealt with, registered shares are generally situated where the title of ownership is registered. Accordingly, it should be assumed that an individual Shareholder will be treated as if they owned a UK situs asset for UK IHT purposes.

Where property is regarded as situated in the UK for IHT purposes, a gift (whether to an individual, trust or otherwise) by an individual holder of such property or the death of an individual holder may (subject to certain exemptions and reliefs) give rise to a liability to IHT. This is regardless of whether or not the individual holder is domiciled in the UK for IHT purposes and whether or not the holder is resident in the UK for tax purposes. For IHT purposes, a transfer of assets at less than full market value will be treated as a gift and particular rules apply where the donor reserves or retains some interest or benefit in the property being transferred. A gift of an asset in certain circumstances is potentially exempt from IHT and falls outside the individual's estate provided that the donor lives for seven years.

FATCA and other international agreements to improve tax compliance

The UK is party to a number of international agreements with other jurisdictions which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These agreements include, but are not limited to: (i) an intergovernmental agreement between the US in relation to the FATCA regime, (ii) the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development, and (iii) the EU Directive on Administrative Cooperation in Tax Matters (the "DAC"), which have been implemented into UK law.

From July 2020 the UK rules implementing the DAC will require mandatory disclosure by intermediaries (e.g. accountants and lawyers) and taxpayers in respect of cross-border arrangements that possess certain features. These new rules (widely referred to as "DAC 6") have a broad scope and, accordingly, have the potential to require disclosure of information in a wide range of circumstances. Although the first disclosures under these rules are not required until July 2020, the rules will apply retrospectively to any arrangements the first step in the implementation of which was made put in place on or after 25 June 2018. The implementation of these rules may vary from EU Member State to EU Member State, and there remains a degree of uncertainty as to how different EU Member States (including the UK) will implement and interpret the rules.

In addition, other jurisdictions are also party to international agreements which provide for the exchange of information in order to combat tax evasion and improve tax compliance.

In order to enable the Company to comply with its obligations in relation to such agreements and arrangements, or where the Company believes that it is in the interests of the Company, Shareholders may be required to provide certain personal information about themselves (and persons connected or associated with them), and such information may be disclosed to relevant tax authorities (including HMRC). Such tax authorities may pass this information on to tax authorities in other jurisdictions.

PART 7 - ADDITIONAL INFORMATION

1 The Company

- (a) The Company was incorporated and registered in England and Wales on 14 August 2018 with registered number 11517636 as a public company limited by shares. The Company's Legal Entity Identifier is 52990070BDK2OKX5TH79. The Company is not authorised or regulated as a collective investment scheme by the FCA. However, it is subject to the Listing Rules and the Disclosure Guidance and Transparency Rules. The principal legislation under which the Company operates and under which the Ordinary Shares are issued is the Companies Act. The Company does not have any subsidiaries.
- (b) The registered office of the Company is at Mermaid House, 2 Puddle Dock, London, EC4V 3DB and the telephone number of the Company is +44 (0) 20 3551 6337.

2 Share and loan capital of the Company

- (a) The Company's issued share capital as at the date of this Prospectus is set out below. The Ordinary Shares in issue as at the date of this Prospectus are all fully paid up. The Company has no authorised share capital and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.

| Class | Nominal Value (£) | Number |
|-----------------|--------------------------|---------------|
| Ordinary Shares | 1,185,159.58 | 118,515,958 |

- (b) Immediately following the Placing Programme End Date (and assuming that 40 million shares are issued under the Placing Programme), the Company's issued share capital is expected to be as set out below. All Ordinary Shares will be issued fully paid.

| Class | Nominal Value (£) | Number |
|-----------------|--------------------------|---------------|
| Ordinary Shares | 1,585,159.58 | 158,515,958 |

- (c) Prior to the Company's IPO, the Company issued a B Deferred Share of £0.01 in the capital of the Company for a subscription price equal to the total costs of the IPO. That share carried no rights to vote or to any dividends or other distributions, save for the return of 1p once £100 billion has been returned to holders of Ordinary Shares. The B Deferred Share was repurchased at par value and cancelled by the Company on 15 November 2019.
- (d) The following changes have occurred in the share capital of the Company between incorporation of the Company on 14 August 2018 and 31 December 2019. The Company issued 114,510,958 new Ordinary Shares and 1 B Deferred Share (which has subsequently been repurchased and cancelled). The Company also issued 50,000 Management Shares which were fully redeemed out of the net proceeds of the IPO; and
- (e) In addition to the ordinary business of the Company, resolutions were passed at the Annual General Meeting held on 30 March 2020:
- (i) in addition to all existing authorities, to authorise the Directors in accordance with section 551 of the Companies Act to allot Ordinary Shares and to grant rights to subscribe for, or to convert any security into, Ordinary Shares pursuant to the Placing Programme up to an aggregate nominal value of £400,000 provided that this authority shall expire on the Placing Programme End Date or, if earlier, on the date on which the Placing Programme is terminated, save that the Company may, prior to the expiry of such authority, make an offer or enter into an agreement which would or might require allotment of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired; and
- (ii) to empower the Directors pursuant to sections 570 to 573 of the Companies Act to allot Ordinary Shares for cash pursuant to the authority referred to in paragraph 2(e)(i) above

as if section 561 of the Companies Act did not apply to any such allotment, such power to expire on Placing Programme End Date or, if earlier, on the date on which the Placing Programme is terminated, save that the Company may, prior to the expiry of such authority, make an offer or enter into an agreement which would or might require such Ordinary Shares to be allotted after the expiry of such authority; and the Directors may allot Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired; and

- (iii) in substitution for all subsisting authorities to the extent unused (other than the authority described in paragraph 2(e)(i)), to authorise the Directors in accordance with section 551 of the Companies Act to allot Ordinary Shares and to grant rights to subscribe for, or to convert any security into, Ordinary Shares up to an aggregate nominal value of £118,265.95 (representing 10 per cent. of the entire issued ordinary share capital of the Company as at the latest practicable date prior to publication of the notice of annual general meeting) provided that this authority shall expire on the Placing Programme End Date or, if earlier, on the date on which the Placing Programme is terminated, save that the Company may, prior to the expiry of such authority, make an offer or enter into an agreement which would or might require allotment of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired; and
- (iv) to empower the Directors pursuant to sections 570 to 573 of the Companies Act to allot Ordinary Shares for cash pursuant to the authority referred to in paragraph 2(e)(iii) above as if section 561 of the Companies Act did not apply to any such allotment, such power to expire at the conclusion of the annual general meeting of the Company to be held in 2021 or, if earlier, on the expiry of 15 months from the passing of the resolution, save that the Company may, prior to the expiry of such authority, make an offer or enter into an agreement which would or might require such Ordinary Shares to be allotted after the expiry of such authority; and the Directors may allot Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired;
- (v) in substitution for all subsisting authorities to the extent unused (other than the authorities described in paragraph 2(e)(i) and 2(e)(iii)), to authorise the Directors in accordance with section 551 of the Companies Act to allot Ordinary Shares and to grant rights to subscribe for, or to convert any security into, Ordinary Shares up to an aggregate nominal value of £118,265.95 (representing 10 per cent. of the entire issued ordinary share capital of the Company as at the latest practicable date prior to publication of the notice of annual general meeting) provided that this authority shall expire on the Placing Programme End Date or, if earlier, on the date on which the Placing Programme is terminated, save that the Company may, prior to the expiry of such authority, make an offer or enter into an agreement which would or might require allotment of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired;
- (vi) to empower the Directors pursuant to sections 570 to 573 of the Companies Act to allot Ordinary Shares for cash pursuant to the authority referred to in paragraph 2(e)(v) above as if section 561 of the Companies Act did not apply to any such allotment, such power to expire at the conclusion of the annual general meeting of the Company to be held in 2021 or, if earlier, on the expiry of 15 months from the passing of the resolution, save that the Company may, prior to the expiry of such authority, make an offer or enter into an agreement which would or might require such Ordinary Shares to be allotted after the expiry of such authority; and the Directors may allot Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired; and
- (vii) to empower the Directors in accordance with section 701 of the Companies Act to purchase its Ordinary Shares provided that (i) the number repurchased shall not exceed 17,728,067; (ii) the minimum price paid (excluding expenses) is 1p; and (iii) the maximum price paid (excluding expenses) shall not exceed the greater of: 5 per cent. above the mid-market quotations for the five business days immediately before the purchase date OR higher of the price of the last independent trade and the highest current independent bid, such power to expire at the conclusion of the annual general meeting of the Company to be held in 2021 or, if earlier, on the expiry of 15 months from the passing of the resolution, save

that the Company may, prior to the expiry of such authority, make an offer or enter into an agreement, which would or might require Ordinary Shares to be repurchased after the expiry of such authority; and the Directors may repurchase in pursuance of such an offer or agreement.

- (f) Subject to the Resolutions described in paragraph 2(e) above, the provisions of section 561(1) of the Companies Act (to the extent not disapplied pursuant to sections 570-571 of the Companies Act) confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560 of the Companies Act) which are, or are to be, paid up in cash and will apply to any shares to be allotted by the Directors, except to the extent disapplied by the resolutions referred to in paragraphs 2(e)(ii), 2(e)(iv) and 2(e)(vi) above.
- (g) No share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.
- (h) The Ordinary Shares are listed on the Official List and traded on the Main Market of the London Stock Exchange. The Ordinary Shares are not listed or traded on, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading on, any other stock exchange or securities market.
- (i) The Ordinary Shares are in registered form and, from the relevant Programme Admission, will be capable of being held in uncertificated form and title to such Ordinary Shares may be transferred by means of a relevant system (as defined in the Regulations). Where the Ordinary Shares are held in certificated form, share certificates will be sent to the registered members or their nominated agent (at their own risk) within 10 Business Days of the completion of the registration process or transfer, as the case may be, of the Ordinary Shares. Where Ordinary Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The Registrar, whose registered address is set out on page 25 of this Prospectus, maintains a register of Shareholders holding their Ordinary Shares in CREST.
- (j) The relevant Placing Programme Price of any Ordinary Shares issued pursuant to a Placing under the Placing Programme will be determined by the Directors and the Company's broker by reference to the prevailing cum-income NAV per Ordinary Shares and a premium to cover the costs and expenses of the initial investment of amounts raised. No expenses are being charged to any subscriber or purchaser. These amounts will be reimbursed to the Company by the Investment Manager.
- (k) Both the Companies Act and the Listing Rules allow for disapplication of pre-emption rights which may be waived by a special resolution of the Shareholders, either generally or specifically, for a maximum period not exceeding five years. As set out in paragraphs 2(e)(ii) and 2(e)(iv) above, the Company has disapplied these pre-emption rights in respect of a defined number of Ordinary Shares until the Placing Programme End Date and the conclusion of the next annual general meeting of the Company respectively.
- (l) Each Placing Share will rank in full for all dividends and distributions declared made or paid after their issue and otherwise *pari passu* in all respects with each existing Ordinary Share and will have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as each existing Ordinary Share, as set out in the Articles. The Ordinary Shares will be denominated in Sterling.

3 **Articles of association**

The Articles do not provide for any objects or purposes of the Company and accordingly the Company's objects and purposes are unrestricted. The Articles contain provisions, among other matters, to the following effect:

(a) **Voting rights**

Subject to any special terms as to voting upon which any shares may be issued, or may for the time being be held and any restriction on voting referred to below, every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and every proxy (regardless of the number of members for whom he is proxy) shall

have one vote on a show of hands. On a poll, every Shareholder present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder.

The duly authorised representative of a corporate Shareholder may exercise the same powers on behalf of that corporation as it could exercise if it were an individual shareholder.

A Shareholder is not entitled to vote unless all calls due from him have been paid.

A Shareholder is also not entitled to attend or vote at meetings of the Company in respect of any shares held by him in relation to which he or any other person appearing to be interested in such shares has been duly served with a notice under section 793 of the Companies Act and, having failed to comply with such notice within the period specified in such notice (being not less than 28 days from the date of service of such notice), is served with a disenfranchisement notice. Such disenfranchisement will apply only for so long as the notice from the Company has not been complied with or until the Company has withdrawn the disenfranchisement notice, whichever is the earlier.

(b) **General meetings**

The Company must hold an annual general meeting each year in addition to any other general meetings held in the year. The Directors can call a general meeting at any time.

At least 21 clear days' written notice must be given for every annual general meeting. For all other general meetings, not less than 14 days' written notice must be given. The notice for any general meeting must state: (i) whether the meeting is an annual general meeting; (ii) the date, time and place of the meeting; (iii) the general nature of the business of the meeting and (iv) any intention to propose a resolution as a special resolution. All members who are entitled to receive notice under the Articles must be given notice.

Before a general meeting starts, there must be a quorum, being two members present in person or by proxy. Each Director can attend and speak at any general meeting.

(c) **Dividends**

Subject to the Companies Act, the Company may, by ordinary resolution, declare dividends to be paid to Shareholders according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.

Subject to the Companies Act, the Board may from time to time pay to the Shareholders such interim dividends as appear to the Board to be justified by the profits available for distribution and the position of the Company, on such dates and in respect of such periods as it thinks fit.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide (no such shares presently being in issue), all dividends shall be apportioned and paid pro rata according to the amounts paid or credited as paid up (other than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid. Any dividend unclaimed after a period of 12 years from the date of declaration shall be forfeited and shall revert to the Company.

The Board may, if authorised by an ordinary resolution, offer the holders of shares the right to elect to receive additional shares, credited as fully paid, instead of cash in respect of any dividend or any part of any dividend.

Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

The Board may withhold dividends payable on shares representing not less than 0.25 per cent. by number of the issued shares of any class (calculated exclusive of treasury shares) after there has been a failure to comply with any notice under section 793 of the Companies Act requiring the disclosure of information relating to interests in the shares concerned as referred to in paragraph 3(a) above.

(d) **Return of capital**

On a voluntary winding-up of the Company the liquidator may, with the sanction of a special resolution of the Company and subject to the Companies Act and the Insolvency Act 1986 (as amended), divide amongst the shareholders of the Company in specie the whole or any part of the

assets of the Company, or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall determine.

(e) **C Shares and Deferred Shares**

The Articles permit the Directors to issue C Shares on the following terms. Defined terms used in this paragraph are set out at the end of the paragraph.

- (i) 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 (vii) below (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).
- (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 as to capital: 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 (ii): (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.
- (iii) 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.

- (iv) 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 (vii)(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 Companies 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.
- (v) 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 Articles: (a) no alteration shall be made to the Articles; (b) 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 (c) 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: (a) 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 (b) the sale of any shares held as treasury shares (as such term is defined in section 724 of the Companies Act) in accordance with sections 727 and 731 of the Companies Act or the purchase or redemption of any shares by the Company (whether or not such shares are to be held in treasury).
- (vi) 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.
- (vii) 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 (vii):
 - (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 below.

- (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 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 one pence each and such conversion shares of one pence 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:
- (1) the aggregate number of Ordinary Shares into which the same number of conversion shares of one pence 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).
 - (2) each conversion share of one pence which does not so convert into an Ordinary Share shall convert into one Deferred Share.
 - (3) 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).
 - (4) 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.
 - (5) 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.

The following definitions are only relevant for the purpose of the foregoing:
"Calculation Date" means the earliest of the:

- (i) close of business on the date to be determined by the Directors 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 this paragraph (vii);

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

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

and where:

C is the aggregate value of: (a) the value of the investments of the Company attributable to the C Shares; 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 the C Shares in issue on the Calculation Date;

F is the aggregate value of: (a) value of all the investments of the Company; 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 always 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 one 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

"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 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.

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

(f) ***Transfer of shares***

The Ordinary Shares are in registered form.

The Articles provide for shares to be held in CREST accounts, or through another system for holding shares in uncertificated form, such shares being referred to as "Participating Securities". Subject to such of the restrictions in the Articles as shall be applicable, any member may transfer all or any of his shares. In the case of shares represented by a certificate ("**Certificated Shares**") the transfer shall be made by an instrument of transfer in the usual form or in any other form which the Board may approve. A transfer of a Participating Security need not be in writing, but shall comply with such rules as the Board may make in relation to the transfer of such shares, a CREST transfer being acceptable under the current rules.

The instrument of transfer of a Certificated Share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee and the transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members.

The Board may, in its absolute discretion and without assigning any reason therefor, refuse to register any instrument of transfer of shares, all or any of which are not fully paid.

The Board may also refuse to register a transfer unless:

- (i) in the case of a Certificated Share, the duly stamped instrument of transfer (if required) is lodged at the registered office of the Company or at some other place as the Board may appoint accompanied by the relevant share certificate and such other evidence of the right to transfer as the Board may reasonably require;
- (ii) in the case of a Certificated Share, the instrument of transfer is in respect of only one class of share; and
- (iii) in the case of a transfer to joint holders of a Certificated Share, the transfer is in favour of not more than four such transferees.

In the case of Participating Securities, the Board may refuse to register a transfer if the Regulations (as amended) allow it to do so, and must do so where such regulations so require.

The Board may also decline to register a transfer of shares if they represent not less than 0.25 per cent. by number of their class and there has been a failure to comply with a notice requiring disclosure of interests in the shares (as referred to in paragraph (i) below) unless the shareholder has not, and proves that no other person has, failed to supply the required information. Such refusal may continue until the failure has been remedied, but the Board shall not decline to register:

- (i) transfer in connection with a bona fide sale of the beneficial interest in any shares to any person who is unconnected with the shareholder and with any other person appearing to

be interested in the share;

- (ii) a transfer pursuant to the acceptance of an offer made to all the Company's shareholders or all the shareholders of a particular class to acquire all or a proportion of the shares or the shares of a particular class; or
- (iii) a transfer in consequence of a sale made through a recognised investment exchange or any stock exchange outside the United Kingdom on which the Company's shares are normally traded.

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 under Section 3(42) of ERISA or the US Code; (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to be registered or qualified under the US Investment Company Act and/or the US Investment Advisers Act of 1940 and/or the US Securities Act and/or the US Exchange Act 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; (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 Board may declare the Shareholder in question a "Non-Qualified Holder" and the Board may require that any shares held by such Shareholder ("**Prohibited Shares**") shall (unless the Shareholder concerned satisfies the Board 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.

(g) ***Variation of rights***

Subject to the Companies Act, all or any of the rights attached to any class of share may (unless otherwise provided by the terms of issue of shares of that class) be varied (whether or not the Company is being wound up) either with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of such holders. The quorum at any such general meeting is two persons holding or representing by proxy at least one-third in nominal value of the issued shares of that class and at an adjourned meeting the quorum is one holder present in person or by proxy, whatever the amount of his shareholding. Any holder of shares of the class in question present in person or by proxy may demand a poll. Every holder of shares of the class shall be entitled, on a poll, to one vote for every share of the class held by him. Except as mentioned above, such rights shall not be varied.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the Articles or the conditions of issue of such shares, be deemed to be varied by the creation or issue of new shares ranking *pari passu* therewith or subsequent thereto.

(h) ***Share capital and changes in capital***

Subject to and in accordance with the provisions of the Companies Act, the Company may issue redeemable shares. Without prejudice to any special rights previously conferred on the holders of any existing shares, any share may be issued on terms that they are, at the option of the Company or a member liable, to be redeemed on such terms and in such manner as may be determined by the Board (such terms to be determined before the shares are allotted).

Subject to the provisions of the Articles and the Companies Act, the power of the Company to offer, allot and issue any new shares in the Company and any shares lawfully held by the Company or on its behalf (such as shares held in treasury) shall be exercised by the Board at such time and for

such consideration and upon such terms and conditions as the Board shall determine.

The Company may by ordinary resolution alter its share capital in accordance with the Companies Act. The resolution may determine that, as between the holders of shares resulting from the subdivision, any of the shares may have any preference or advantage or be subject to any restriction as compared with the others.

(i) ***Disclosure of interests in shares***

Section 793 of the Companies Act provides a public company with the statutory means to ascertain the persons who are, or have within the last three years been, interested in its relevant share capital and the nature of such interests. When a shareholder receives a statutory notice of this nature, he or she has 28 days (or 14 days where the shares represent at least 0.25 per cent. of their class) to comply with it, failing which the Company may decide to restrict the rights relating to the relevant shares and send out a further notice to the holder (known as a "disenfranchisement notice"). The disenfranchisement notice will state that the identified shares no longer give the shareholder any right to attend or vote at a shareholders' meeting or to exercise any other right in relation to shareholders' meetings.

Once the disenfranchisement notice has been given, if the Directors are satisfied that all the information required by any statutory notice has been supplied, the Company shall, within not more than seven days, withdraw the disenfranchisement notice.

The Articles do not restrict in any way the provisions of section 793 of the Companies Act.

(j) ***Non-UK shareholders***

Shareholders with addresses outside the United Kingdom are not entitled to receive notices from the Company unless they have given the Company an address within the United Kingdom at which such notices shall be served.

(k) ***Untraced shareholders***

Subject to various notice requirements, the Company may sell any of a shareholder's shares in the Company if, during a period of 12 years, at least three dividends on such shares have become payable and no dividend has been claimed during that period in respect of such shares and the Company has received no communication from such shareholder.

(l) ***Borrowing powers***

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any of its undertaking, property and assets (present and future) and uncalled capital and subject to any relevant statutes, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligations of the Company or any third party, provided that the Board shall restrict the borrowings of the Company, and exercise all powers of control exercisable by the Company in relation to its subsidiaries, so as to secure (in relation to its subsidiaries so far as the Board is able) that the aggregate amount for the time being of all borrowings by the Company shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to 1,000 times the adjusted capital and reserves of the Company.

These borrowing powers may be varied by an alteration to the Articles which would require a special resolution of the shareholders.

(m) ***Directors***

Subject to the Companies Act, and provided he has made the necessary disclosures, a Director may be a party to or otherwise directly or indirectly interested in any transaction or arrangement with the Company or in which the Company is otherwise interested or a proposed transaction or arrangement with the Company.

The Board has the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under section 175 of the Companies Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with, the interests of the Company. Any such authorisation will only be effective if the matter is proposed in writing for consideration in accordance with the Board's normal procedures, any

requirement about the quorum of the meeting is met without including the Director in question and any other interested director and the matter was agreed to without such directors voting (or would have been agreed to if the votes of such directors had not been counted). The Board may impose terms or conditions in respect of its authorisation.

Save as mentioned below, a Director shall not vote in respect of any matter in which he has, directly or indirectly, any material interest (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company) or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

A Director shall (in the absence of material interests other than those indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:

- (i) the giving of any guarantee, security or indemnity to him or any other person in respect of money lent to, or an obligation incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiaries;
- (ii) the giving of any guarantee, security or indemnity to a third party in respect of an obligation of the Company or any of its subsidiaries for which he himself has assumed any responsibility in whole or in part alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning his being a participant in the underwriting or sub-underwriting of an offer of shares, debentures or other securities by the Company or any of its subsidiaries;
- (iv) any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise, provided that he is not the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of such company (or of any corporate third party through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed to be a material interest in all circumstances);
- (v) any arrangement for the benefit of employees of the Company or any of its subsidiaries which does not accord to any Director any privilege or advantage not generally accorded to the employees to which such arrangement relates; and
- (vi) any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for the benefit of any of the Directors or for persons who include Directors, provided that for that purpose "insurance" means only insurance against liability incurred by a Director in respect of any act or omission by him in the execution of the duties of his office or otherwise in relation thereto or any other insurance which the Company is empowered to purchase and/or maintain for, or for the benefit of any groups of persons consisting of or including, Directors.

The Directors shall be paid such remuneration by way of fees for their services as may be determined by the Board, save that, unless otherwise approved by ordinary resolution of the Company in general meeting, the aggregate amount of such fees of all Directors shall not exceed £250,000 per annum. The Directors shall also be entitled to be repaid by the Company all hotel expenses and other expenses of travelling to and from board meetings, committee meetings, general meetings or otherwise incurred while engaged in the business of the Company. Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.

The Company may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, to or for the benefit of past directors who held executive office or employment with the Company or any of its subsidiaries or a predecessor in business of any of them or to or for the benefit of persons who are or were related to or dependants of any such Directors.

The Directors and officers of the Company are entitled to be indemnified against all losses and liabilities which they may sustain in the execution of the duties of their office, except to the extent

that such an indemnity is not permitted by sections 232 or 234 of the Companies Act. Subject to sections 205(2) to (4) of the Companies Act, the Company may provide a Director with funds to meet his expenditure in defending any civil or criminal proceedings brought or threatened against him in relation to the Company. The Company may also provide a Director with funds to meet expenditure incurred in connection with proceedings brought by a regulatory authority and indemnify a Director in connection with the Company's activities as a trustee of a pension scheme.

The Directors are obliged to retire by rotation and are eligible for re-election at the third annual general meeting after the annual general meeting at which they were elected. Any non-executive Director who has held office for nine years or more is subject to re-election annually. Any Director appointed by the Board holds office only until the next annual general meeting, when he is eligible for re-election.

There is no age limit for Directors.

Unless and until otherwise determined by ordinary resolution of the Company, the Directors (other than alternate Directors) shall not be less than 2 nor more than 10 in number.

(n) ***Redemption***

The Ordinary Shares are not redeemable.

(o) ***Management Shares***

The Management Shares can be redeemed at any time (subject to the provisions of the Companies Act) by the Company and carry the right to receive a fixed annual dividend equal to 0.01 per cent. of the nominal amount of each of the shares payable on demand. For so long as there are shares of any other class in issue, the holders of the Management Shares will not have any right to receive notice of or vote at any general meeting of the Company. If there are no shares of any other class in issue, the holders of the Management Shares will have the right to receive notice of, and to vote at, general meetings of the Company. In such circumstances, each holder of a Management Share who is present in person (or, being a corporation, by representative) or by proxy at a general meeting will have on a show of hands one vote and on a poll every such holder who is present in person or by proxy (or being a corporation, by representative) will have one vote in respect of each Management Share held by him.

(p) ***Electronic communication***

The Company may communicate electronically with its members in accordance with the provisions of the Electronic Communications Act 2000.

The above is a summary only of certain provisions of the Articles, the full provisions of which are available for inspection as described in paragraph 15 below.

4 Mandatory bids and compulsory acquisition rules relating to the Ordinary Shares

(a) ***Mandatory bid***

The City Code on Takeovers and Mergers applies to the Company. Under Rule 9 of the Takeover Code, if:

- (i) a person acquires an interest in shares in the Company 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
- (ii) 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 acquiror 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 in the Company at a price not less than the highest price paid for any interests in the Ordinary Shares by the acquiror or its concert parties during the previous 12 months.

(b) **Compulsory acquisition**

Under sections 974 to 991 of the Companies 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 outstanding holders of 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 outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Companies 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 Companies 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 shares notice of his right to be bought out within one month of that right arising. 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 shares notifying them of their sell-out rights. If a holder of shares exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

(c) **Frustrating actions**

Rule 21.1 of the Takeover Code provides that, during the course of an offer, the Board must not, without the approval of the Shareholders in general meeting, take any action which may result in any offer or bona fide possible offer being frustrated or in Shareholders being denied the opportunity to decide on its merits, or:

- (i) issue any shares or transfer or sell, or agree to transfer or sell, any shares out of treasury or effect any redemption or purchase by the Company of its own shares;
- (ii) issue or grant options in respect of any unissued shares;
- (iii) create or issue, or permit the creation or issue of, any securities carrying rights of conversion into or subscription for shares;
- (iv) sell, dispose of or acquire, or agree to sell, dispose of or acquire, assets of a material amount; or
- (v) enter into contracts otherwise than in the ordinary course of business.

5 **Information on the Directors**

- (a) Details of the names of companies and partnerships (excluding directorships of the Company) of which the Directors are or have been members of the administrative, management or supervisory bodies or partners at any time in the five years preceding the date of this Prospectus:

| Name | Current directorships/partnerships | Past directorships/partnerships |
|---------------------|---|---|
| Mark Pacitti | Arran (Scotland) Limited Arran Aromatics Ltd M C Pacitti Limited | Deloitte LLP Deloitte NSE LLP |
| Diana Dyer Bartlett | Mid Wynd International Investment Trust plc Rutherford Healthcare plc SmartSpace Software plc ⁽¹⁾ Trafalgar Limited | Actimax 1 Limited Breast Cancer Haven Limited Clicks Media Studios Limited CloudXL Limited ⁽¹⁾ CloudXL Networks Limited ⁽¹⁾ CloudXL Support Limited ⁽¹⁾ Comunica Group Limited Comunica Holdings Limited Coms Carrier Services Limited ⁽¹⁾ Coms Enterprise Limited Coms Mobile Limited ⁽¹⁾ |

| Name | Current directorships/partnerships | Past directorships/partnerships |
|------------------------|---|--|
| | | Coms.com Limited ⁽¹⁾ Darkside Animation Limited Ketton House Limited Network Resource Limited ⁽¹⁾ Network Resource Group Limited ⁽¹⁾ Pharmacells Limited ⁽²⁾ Plassey Limited Precious Cells International Limited ⁽²⁾ Premium O Limited ⁽¹⁾ Smarter Mobile UK Limited ⁽¹⁾ Superline Telecommunications Limited System Online Limited ⁽¹⁾ Universal Office Automation Limited Universal Office Automation (Networks) Limited Westminster Capital Partners Limited |
| Lord St John of Bletso | 17 Arm Recovery (UAE) FZ LLC ⁽³⁾ Albion Enterprise VCT plc Albion Capital Group LLP Bell Integration Limited ⁽³⁾ BetWay Limited ⁽³⁾ Cyber1 Limited ECO Capacity Exchange Ltd ⁽³⁾ Falcon Group Limited Impala Energy Management Limited ⁽³⁾ Immersive Labs ⁽³⁾ Integrated Diagnostic Holdings plc Mauritius FSC ⁽³⁾ Roc Technologies Limited ⁽³⁾ Strand Hanson Limited WET Holdings (Global) Limited ⁽³⁾ Yellow Cake plc | Estate & General (IOM) Ltd Global Resources Investment Trust plc Silicon Valley Bank ⁽³⁾ |

- (1) During her appointment as a director of SmartSpace Software plc (formerly known as Coms plc and RedstoneConnect plc), the Coms plc group had trading difficulties and Diana took on an interim role as chief finance officer. Following the departure of the finance director and chief executive officer of Coms plc, Diana became a director of the majority of Coms plc's subsidiaries on 1 March 2015. After the sale of the business and assets of most of the Coms plc's subsidiaries which comprised its telecommunications division at the end of May 2015 and the discharge of agreed trading liabilities, the following companies were put into creditors' voluntary liquidation: Coms Carrier Services Limited, Network Resource Limited, CloudXL Networks Limited, Coms Mobile Limited, System Online Limited, CloudXL Support Limited, Network Resource Group Limited, Smarter Mobile UK Limited, Coms.com Limited, Premium O Limited, and CloudXL Limited.
- (2) Precious Cells International Limited and its subsidiary, Pharmacells Limited were placed into administration on 28 March 2018 and 13 April 2018 respectively, ten months after Diana's resignation on 31 May 2017. At the time of her resignation, the companies were able to pay their debts as they fell due.
- (3) Member of advisory board, but not appointed as a director.

(b) Save as noted above, none of the Directors:

- (i) has any convictions in relation to fraudulent offences for at least the previous five years; or
- (ii) has been declared bankrupt or been a director or member of the administrative, management or supervisory body of a company or a senior manager of a company at the time of any receivership or liquidation for at least the previous five years; or
- (iii) has been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including designated professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company for at least the previous five years.

6 Directors' and others' interests

- (a) The interests (all of which are or will be beneficial unless otherwise stated) of the Directors (together with their connected persons) in the ordinary share capital of the Company are as follows:

| | Number of Ordinary Shares | Total issue price (£) | Percentage of issued share capital (%) |
|------------------------|----------------------------------|------------------------------|---|
| Mark Pacitti | 20,000 | 200,000 | 0.017 |
| Diana Dyer Bartlett | 5,000 | 50,000 | 0.0043 |
| Lord St John of Bletso | 10,000 | 100,000 | 0.0086 |

- (b) Save as disclosed in paragraph 6(a) above, no Director has any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.
- (c) The voting rights of the Company's Shareholders are the same in respect of each Ordinary Share held.
- (d) As at the date of this Prospectus, in so far as it is known to the Company, the following persons held directly or indirectly 3 per cent. or more of the Company's voting rights:

| Name | Number of voting rights held | % of voting rights held |
|---|-------------------------------------|--------------------------------|
| Brewin Dolphin Limited | 7,041,512 | 5.94 |
| Rathbones (Rathbone Investment Management Ltd and Rathbone Investment Management International Ltd) | 5,739,467 | 4.84 |

- (e) Save as set out above, as at the date of this Prospectus, the Company is not aware of any person who holds three per cent. or more of the voting rights in the Company as a Shareholder or through a direct or indirect holding of financial instruments (in each case for the purposes of Chapter 5 of the Disclosure Guidance and Transparency Rules). The Company or any person who, directly or indirectly owns or controls the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.
- (f) The Directors are, in addition to the Company, directors/partners of the companies listed in paragraph 5 of this Part 7. The Articles contain provisions whereby a Director shall not vote, among other matters, in respect of any matter in which he has, directly or indirectly, any material interest. Save, in relation to the directorships listed in paragraph 5 of this Part 7, there are no potential conflicts of interest between any duties owed by the Directors to the Company and their private interests and/or other duties.
- (g) Terry Smith, the Investment Manager's CIO and CEO, owns 2.5 million Ordinary Shares which he subscribed for at the time of the IPO (through Eighth Wonder Limited, a company of which he is the sole ultimate beneficial owner), and other partners and employees of the Investment Manager own in aggregate 651,257 Ordinary Shares, all subscribed for upon the IPO.

7 Directors' appointments

Each Director was appointed on 14 September 2018 as a non-executive Director of the Company. Under the terms of their appointments as non-executive Directors of the Company, each Director is entitled to an annual fee of £25,000 per annum. The Chairman of the Board is paid a further £5,000 per annum in addition to this amount and each committee chairperson is paid a further £2,000 per annum in addition to this amount. The Directors may elect to apply the cash amount equal to their annual fee to subscribe for or purchase Ordinary Shares. The Directors hold their office in accordance with the Articles and their appointment letters. No Director has an employment service contract with the Company, nor are any such contracts proposed. No contractual provisions regarding benefits on termination of a Director's appointment therefore exist. The retirement, disqualification and removal provisions relating to the Directors (in their capacity as directors) are summarised in paragraph 3(m) of this Part 7.

8 Employees

The Company does not have any employees.

9 Material contracts and related party transactions

(a) The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company since its incorporation and which are or may be material to the Company or have been entered into by the Company at any time and contain a provision under which the Company has any obligation or entitlement which is material to the Company at the date of this Prospectus:

- (i) The sponsor and placing agreement (the "**Sponsor and Placing Agreement**") dated 1 April 2020 entered into by the Company, the Investment Manager and Investec pursuant to which, subject to certain conditions, Investec has agreed to act as sponsor in respect of each Placing and to use its reasonable endeavours to procure subscribers for the Placing Shares to be issued pursuant to each Placing under Placing Programme.

Each Placing under the Sponsor and Placing Agreement is conditional on, among other things, the relevant Programme Admission occurring by such later date, not being later than the Placing Programme End Date, as the Company and Investec may agree.

In the event that any of the conditions in the Sponsor and Placing Agreement are not met in respect of any Placing, Investec shall, amongst other things, not be under any obligation to complete that Placing, the Company shall withdraw its application for the relevant Programme Admission (making such announcement as reasonably required by Investec) and appropriate arrangements for the return of monies received shall be made.

In consideration for their services under the Sponsor and Placing Agreement, Investec will receive from the Company a placing commission in respect of any Placing Shares issued pursuant to any Placing under the Placing Programme. The Company and the Investment Manager have in the Sponsor and Placing Agreement given certain customary warranties and indemnities to Investec.

- (ii) The Investment Management Agreement dated 17 September 2018 between the Company and the Investment Manager whereby the Investment Manager is appointed to act as investment manager of the Company. The Investment Manager has agreed to provide customary services of a discretionary investment manager that is also appointed as AIFM to the Company. The Company has consented to the Investment Manager delegating certain valuation services to the Administrator and certain dealing services to FIS; however, the Investment Manager remains liable to the Company for such delegated services.

The Investment Manager is entitled to receive a fee from the Company which shall be an amount equal to $\frac{1}{365}$ multiplied by 0.9 per cent of the market capitalisation of the Company accruing daily but payable monthly in arrear. The Investment Manager is also entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred on behalf of the Company.

The Investment Management Agreement has a minimum term of four years and may be terminated by either party on twelve months' notice with such notice not to be served before the date which is three years from the date of the IPO. In addition, the Investment Management Agreement may be immediately terminated by either party in certain circumstances such as a material breach which is not remedied. The Company has also agreed to indemnify the Investment Manager for losses that the Investment Manager may incur in the performance of its duties pursuant to the Investment Management Agreement or otherwise in connection with the Company's activities that are not attributable to, among other things, a material breach of the Investment Management Agreement by, or the negligence, fraud, wilful default or bad faith of, the Investment Manager.

- (iii) The Accounting and Administration Services Agreement dated 17 September 2018 between the Company, the Investment Manager and the Administrator whereby the Administrator is appointed to act as administrator of the Company. Under the terms of the Accounting and Administration Services Agreement, the Investment Manager has also delegated the performance of certain valuation services it provides pursuant to the terms of the Investment Management Agreement to the Administrator.

The Administrator is entitled to receive an annual fee equal to 2 basis points of the Net Asset Value of the Company per annum (which would increase to 3 basis points should the Net Asset Value fall to below £500 million). The Administrator is, in addition, entitled to recover third party expenses and disbursements.

The Accounting and Administration Services Agreement may be terminated by either party on 180 days' notice and may be immediately terminated by either party in certain circumstances such as a material breach which is not remedied. The Accounting and Administration Agreement contains customary indemnities from the Company in favour of the Administrator.

- (iv) The Company Secretarial Agreement dated 17 September 2018 between the Company and the Company Secretary (as amended) whereby the Company Secretary is appointed to act as company secretary of the Company.

The Company Secretary is entitled to receive an annual fee of £60,000. The Company Secretary is also entitled to receive a fee of £500 in respect of each Placing under the Placing Programme (or other issue of shares by the Company) and to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred and documented on behalf of the Company.

The Company Secretarial Agreement may be terminated by either party on six months' notice and may be immediately terminated by the Company in certain circumstances such as a persistent or material breach which is not remedied. The Company Secretarial Agreement contains customary indemnities given by the Company in favour of the Company Secretary.

- (v) The Depositary Agreement dated 17 September 2018 between the Company, the Investment Manager and the Depositary whereby the Depositary is appointed to act as custodian and depositary of the Company.

The Depositary performs the customary services of a depositary in accordance with the AIFMD. It is permitted to delegate the performance of its obligations, including the safe keeping of assets, subject to certain conditions being satisfied.

The Depositary is entitled to receive an annual fee calculated by reference to the services performed (in respect of custody services) as well as a fee equal to 1.5 basis points of the Net Asset Value of the Company (in respect of depositary services) and is also entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred on behalf of the Company.

The Depositary Agreement may be terminated by either party on 90 days' prior written notice following an initial period of six months from the date of the Depositary Agreement. The Depositary Agreement may be immediately terminated by either party in certain circumstances such as a material breach which is not remedied. The Depositary Agreement contains customary indemnities given by the Company in favour of the Depositary.

The Depositary has delegated its obligations in respect of the safe keeping of the Company's investments to The Northern Trust Company (London branch).

The Depositary has not contractually discharged any of its liabilities under the Depositary Agreement in respect of the delegated services.

- (vi) The Registrar Agreement dated 17 September 2018 between the Company and the Registrar whereby the Registrar is appointed to act as registrar of the Company. The Registrar is entitled to receive an annual registration fee from the Company of £16,000. The Registrar is also entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred and documented on behalf of the Company.

The Registrar Agreement may be terminated by either party on six months' notice following an initial term of three years and may be immediately terminated by either party in certain circumstances such as a material breach which is not remedied or if the parties cannot agree on an increase in fees. The Registrar Agreement contains customary indemnities

from the Company in favour of the Registrar.

- (vii) The Nominee Services Agreement dated 17 September 2018 between the Company and the Nominee whereby the Nominee is appointed to provide nominee services in respect of the Company. The Nominee is entitled to receive an annual fee from the Company of £7,500. The Nominee is also entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred and documented on behalf of the Company.

The Nominee Services Agreement may be terminated by either party on six months' notice following an initial term of three years and may be immediately terminated by either party in certain circumstances such as a material breach which is not remedied or if the parties cannot agree on an increase in fees. The Nominee Services Agreement contains customary indemnities from the Company in favour of the Nominee.

- (viii) The placing and offer Agreement (the "**First Placing Agreement**") dated 17 September 2018 entered into by the Company, each of the Directors, the Investment Manager and Investec pursuant to which, subject to certain conditions, Investec agreed to act as sponsor in respect of the Initial Issue, as intermediaries offer adviser in respect of the Intermediaries Offer and to use its reasonable endeavours to procure subscribers for Ordinary Shares issued pursuant to placings under the First Placing Programme.

In consideration for their services under the First Placing Agreement, Investec received from the Company: (i) a corporate finance fee; (ii) a placing commission (such commission calculated by reference to the number of Ordinary Shares acquired by placees procured by Investec or other investors pursuant to the Intermediaries Offer or the Offer for Subscription) together with reimbursement for all out-of-pocket expenses incurred by it in connection with the Initial Issue; and (iii) a commission in respect of any Ordinary Shares issued pursuant to any placing under the First Placing Programme. These amounts were reimbursed to the Company by the Investment Manager.

The Company, the Investment Manager and the Directors in the First Placing Agreement gave certain customary warranties (subject, in the case of the Directors, to certain agreed caps), and the Company and the Investment Manager agreed to provide customary indemnities, to Investec.

- (ix) The Receiving Agent Agreement dated 17 September 2018 between the Company and the Receiving Agent whereby the Receiving Agent was appointed to act as receiving agent of the Company in connection with the Offer. The Receiving Agent was entitled to receive customary fees for the performance of its services and was entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred and documented on behalf of the Company. The Receiving Agent Agreement contained customary indemnities from the Company in favour of the Receiving Agent.

- (b) Except with respect to the appointment letters entered into between the Company and each Director and the Investment Management Agreement, the Company has not been a party to any related party transaction since its incorporation.

10 Working capital

The Company is of the opinion that the Company has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of the of this Prospectus.

11 Capitalisation and indebtedness

The following table sets out the unaudited capitalisation of the Company as at 28 February 2020 (being the latest practicable date for such capitalisation figures prior to the publication of this Prospectus):

| | As at 28 February 2020 (£000) |
|---|--|
| Equity attributable to equity shareholders | |
| Share capital | 1,183 |
| Share premium | 1,247,749 |
| Capital reserve | 170,538 |
| Revenue reserve | (1,283) |
| Total equity | 1,418,187 |

Since 28 February 2020, the Company has issued a total of 1,630,000 Ordinary Shares at issue price ranging from 1,272 to 1,391 pence per Ordinary Share, raising gross proceeds of approximately £21.8 million.

The following table shows the Company's unaudited gross indebtedness as at 28 February 2020 (being the latest practicable date for such indebtedness figures prior to the publication of this Prospectus):

| | As at 28 February 2020 (£000) |
|-------------------------------|--|
| Total current debt | |
| - Guaranteed | nil |
| - Secured | nil |
| - Unguaranteed/unsecured | nil |
| Total non-current debt | |
| - Guaranteed | nil |
| - Secured | nil |
| - Unguaranteed/unsecured | nil |
| Total indebtedness | <u>nil</u> |

The following table shows the Company's unaudited net indebtedness as at 28 February 2020 (the latest practicable date for such indebtedness figures prior to the publication of this Prospectus):

| | As at 28 February 2020 (£000) |
|---|--|
| A. Cash | 17,305 |
| B. Cash equivalents | Nil |
| C. Trading securities | Nil |
| D. Liquidity (A+B+C) | 17,305 |
| E. Current financial receivable | Nil |
| F. Current bank debt | Nil |
| G. Current portion of non-current debt | Nil |
| H. Other current financial debt | Nil |
| I. Current financial debt (F+G+H) | Nil |
| J. Net current financial indebtedness (I-E-D) | (17,305) |
| K. Non-current bank loans | Nil |

| | |
|---|----------|
| L. Bonds issued | Nil |
| M. Other non-current loans | Nil |
| N. Non-current financial indebtedness (K+L+M) | Nil |
| O. Net financial indebtedness (J+N) | (17,305) |

As at 28 February 2020, the Company had no indirect or contingent indebtedness.

Since 28 February 2020, the Company's cash position has reduced to £2.35 million (as at 27 March 2020). There has been no other material change in the Company's indebtedness since 28 February 2020.

12 No significant change

Save as disclosed below, there has been no significant change in the financial position of the Company since 31 December 2019, being the latest date to which the Company's audited financial information has been prepared.

Since 31 December 2019, the Company has issued a total of 4,005,000 Ordinary Shares at issue prices ranging from 1,272 to 1,391 pence per Ordinary Share, raising gross proceeds of approximately £53.2 million. In addition, as compared to 31 December 2019, as at 27 March 2020 the net asset value per Ordinary Share of the Company has fallen approximately 11.4 per cent.

13 Litigation

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

14 General

- (a) Since all costs and expenses of the Placing Programme (other than the listing fees, the fees and commissions payable to Investec under the Sponsor and Placing Agreement and the company secretarial fee payable to the Company Secretary in respect of each Placing under the Placing Programme) will be paid by the Investment Manager, the estimated aggregate net cash proceeds accruing to the Company from the Placing Programme are £398 million (assuming gross proceeds of £400 million are raised under the Placing Programme). Following completion of each Placing, the proceeds of the relevant Placing will be invested in accordance with the Company's investment policy and pending investment will be held on deposit or invested in near cash instruments and consequently it is expected that the Company will derive earnings from Gross Assets in the form of dividends and interest.
- (b) None of the Placings under the Placing Programme are being underwritten.
- (c) Each Placing will be carried out on behalf of the Company by Investec which is authorised in the United Kingdom by the Prudential Regulation Authority and regulated in the UK by the FCA and the Prudential Regulation Authority.
- (d) The Investment Manager may be a promoter of the Company. Save as disclosed in paragraph 9 above no amount or benefit has been paid, or given, to the promoter or any of its subsidiaries since the incorporation of the Company and none is intended to be paid, or given.
- (e) Each of the Investment Manager and Investec has given and not withdrawn its written consent to the issue of this Prospectus with references to its name in the form and context in which such references appear. The Investment Manager accepts responsibility for the information attributed to it in this Prospectus and declares that the information attributed to it in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect its import.
- (f) The financial information set out in Part 4 of this Prospectus does not constitute statutory accounts within the meaning of Section 434 of the Companies Act. No such statutory accounts have been prepared by the Company and delivered to the Registrar of Companies as at the date of this

Prospectus.

- (g) The telephone number of the Investment Manager is +44 (0) 20 3551 6337 and its website is www.fundsmith.co.uk. The information on the Investment Manager's website does not form part of this Prospectus.
- (h) Where information contained in this Prospectus has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- (i) The Company has no existing interests in real property and has no tangible fixed assets which are material to its business.
- (j) The Company expects that typical investors in the Company will be institutional and sophisticated investors and private clients.

15 Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the Company's registered office up to and including the Placing Programme End Date:

- (a) the memorandum of association of the Company and the Articles;
- (b) the 2019 Report and Accounts; and
- (c) this Prospectus.

The documents described above are available at the Company's website, www.smithson.co.uk.

This Prospectus is dated 1 April 2020.

PART 8 - TERMS AND CONDITIONS OF THE PLACING PROGRAMME

1 Introduction

Each Placee which confirms its agreement to Investec to subscribe for Placing Shares under any Placing will be bound by these terms and conditions and will be deemed to have accepted them.

The Company and/or Investec may require any Placee to agree to such further terms and/or conditions and/ or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/ or may require any such Placee to execute a separate placing letter (a "**Placing Letter**").

2 Agreement to purchase Placing Shares

Conditional on: (i) the relevant Programme Admission becoming effective by no later than 8.00 a.m. on such date as may be agreed between the Company, the Investment Manager and Investec prior to the closing of any Placing, not being later than the Placing Programme End Date; (ii) in the case of any Placing, to the extent required by the Prospectus Regulation, a valid supplementary prospectus being published by the Company; (iii) the Sponsor and Placing Agreement becoming otherwise unconditional in all respects (other than in respect of any condition regarding any Programme Admission (as the case may be)) in relation to the relevant Placing and not having been terminated on or before 8.00 a.m. on the date of the relevant Programme Admission; and (iv) Investec confirming to the Placees their allocation of Placing Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those Placing Shares allocated to it by Investec at the relevant Placing Programme Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

Applications under any Placing must be for a minimum subscription amount of £10,000. The Directors (in consultation with Investec) may in their absolute discretion waive the minimum application amounts in respect of any particular application for Placing Shares under any Placing.

3 Payment for Placing Shares

Each Placee undertakes to pay the relevant Placing Programme Price for the Placing Shares issued to the Placee in the manner and by the time directed by Investec. In the event of any failure by any Placee to pay as so directed and/or by the time required by Investec, the relevant Placee shall be deemed hereby to have appointed Investec or any nominee of Investec as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the Placing Shares in respect of which payment shall not have been made as directed, and to indemnify Investec and its affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales. A sale of all or any of such Placing Shares shall not release the relevant Placee from the obligation to make such payment for relevant Placing Shares to the extent that Investec or its nominee has failed to sell such Placing Shares at a consideration which, after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, exceeds the applicable Placing Programme Price per Ordinary Share.

4 Representations and warranties

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

- (a) in agreeing to subscribe for Placing Shares under any Placing, it is relying solely on this Prospectus and any supplementary prospectus issued by the Company prior to the relevant Programme Admission and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Placing Shares or any Placing. It agrees that none of the Company, the Investment Manager, Investec or the Registrar, nor any of their respective officers, agents, employees or affiliates, 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) its agreement to subscribe for Placing Shares under any Placing will be agreed orally with

Investec as agent for the Company, with a contract note or placing confirmation to follow as soon as possible thereafter. Such oral confirmation will constitute an irrevocable and legally binding commitment upon that Placee in favour of Investec and the Company to subscribe for the number of Placing Shares allocated to it on the terms and conditions set out in this Part 8 and, as applicable, any contract note or placing confirmation which shall be deemed to be to have incorporated into it the terms and conditions set out in this Part 8;

- (c) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Placing Shares under any 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, Investec or the Registrar or any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with that Placing;
- (d) it has carefully read and understands this Prospectus (and any supplementary prospectus issued by the Company prior to the relevant Programme Admission) in its entirety and acknowledges that it is acquiring Placing Shares on the terms and subject to the conditions set out in this Part 8 and the Articles as in force at the date of the relevant Programme Admission;
- (e) it has not relied on Investec or any person affiliated with Investec in connection with any investigation of the accuracy of any information contained in this Prospectus or any supplementary prospectus issued by the Company;
- (f) it acknowledges that the content of this Prospectus and any supplementary prospectus issued by the Company is exclusively the responsibility of the Company and its Directors and neither Investec nor any person acting on its behalf nor any of its affiliates are responsible for or shall have any liability for any information, representation or statement contained in this Prospectus (and any such supplementary prospectus issued by the Company) or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in any Placing based on any information, representation or statement contained in this Prospectus or any supplementary prospectus issued by the Company or otherwise;
- (g) it acknowledges that no person is authorised in connection with any Placing to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus issued by the Company prior to the date of the relevant Programme Admission and, if given or made, any information or representation must not be relied upon as having been authorised by Investec, the Company or the Investment Manager;
- (h) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (i) it accepts that none of the Placing Shares have been or will be registered under the laws of any Excluded Territory. Accordingly, the Placing Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Excluded Territory unless an exemption from any registration requirement is available;
- (j) if it is within the United Kingdom, it is a person who falls within Articles 49 or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or is a person to whom the Placing Shares may otherwise lawfully be offered under such Order, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Placing Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- (k) if it is a resident in the EEA (other than (prior to the expiry of the Implementation Period) the Republic of Ireland), it is a qualified investor within the meaning of the Prospectus Regulation and otherwise permitted to be marketed to in accordance with the provisions of the AIFM Directive as implemented in the relevant member state of the EEA in which is located;

- (l) in the case of any Placing Shares acquired by an investor as a financial intermediary within the meaning of the Prospectus Regulation; (i) the Placing Shares acquired by it in any 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 Regulation, or in circumstances in which the prior consent of Investec has been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in any relevant member state other than qualified investors, the offer of those Placing Shares to it is not treated under the Prospectus Regulation as having been made to such persons;
- (m) if it is outside the United Kingdom, neither this Prospectus (and any supplementary prospectus issued by the Company) nor any other offering, marketing or other material in connection with any Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Placing Shares pursuant to that 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 Placing Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- (n) it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non- discretionary basis for any such person;
- (o) if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for Placing Shares under any Placing and will not be any such person on the date any such subscription is accepted;
- (p) it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other offering materials concerning any Placing or the Placing Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;
- (q) it acknowledges that none of Investec nor any of its affiliates nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with any Placing or providing any advice in relation to any Placing and participation in any Placing is on the basis that it is not and will not be a client of Investec and that Investec does not have any duties or responsibilities to it for providing protection afforded to their respective clients or for providing advice in relation to any Placing nor, if applicable, in respect of any representations, warranties, undertaking or indemnities contained in any Placing Letter;
- (r) that, save in the event of fraud on the part of Investec, none of Investec, its ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to a Placee or any of its clients for any matter arising out of Investec's role as sponsor and broker or otherwise in connection with any Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;
- (s) it acknowledges that where it is subscribing for Placing Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Placing Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this Prospectus and any supplementary prospectus issued by the Company; and (iii) to receive on behalf of each such account any documentation relating to any Placing in the form provided by the Company and/or Investec. It agrees that the provision of this paragraph shall survive any resale of the Placing Shares by or on behalf of any such account;
- (t) it irrevocably appoints any Director and any director of Investec 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 Placing Shares for which it has given a commitment under any Placing, in the event of its own failure to do so;

- (u) it accepts that if any Placing does not proceed or the conditions to any Placing under the Sponsor and Placing Agreement are not satisfied or the Placing Shares for which valid applications are received and accepted are not admitted to listing on the Official List and to trading on the London Stock Exchange's Main Market for any reason whatsoever then none of Investec 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;
- (v) in connection with its participation in any Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and terrorist financing and that its application for Placing Shares under the Placing 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 for Placing Shares. In addition, it warrants that it is a person: (i) subject to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 in force in the United Kingdom, as amended from time to time, (the "**Money Laundering Regulations**"); or (ii) subject to the Money Laundering Directive; or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Regulations;
- (w) it acknowledges that due to anti-money laundering requirements, Investec and the Company may require proof of identity and verification of the source of the payment before the application for Placing Shares under any Placing can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Investec and the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will hold harmless and indemnify Investec and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been requested has not been provided by it in a timely manner;
- (x) 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 Company Secretary's computer system and manually. It acknowledges and agrees that for the purposes of the Data Protection Legislation, the Registrar, the Company Secretary and Investec are each required to specify the purposes for which they will hold personal data. For the purposes of this Part 8 "Data Protection Legislation" means any law applicable from time to time relating to the processing of personal data and/or privacy, as in force at the date of this Prospectus or as re-enacted, applied, amended, superseded, repealed or consolidated, including without limitation, the UK Data Protection Act 2018, the GDPR, and the Privacy and Electronic Communications (EC Directive) Regulations 2003, in each case including any legally binding regulations, direction and orders issued from time to time under or in connection with any such law. The Registrar, the Company Secretary and Investec will only use such information for the purposes set out below (collectively, the "**Purposes**"), being to:
 - (i) process its personal data (including special categories of personal data (as defined in applicable Data Protection Legislation)) as required for or in connection with the holding of Placing Shares, including processing personal data in connection with credit and money laundering checks on it and effecting the payment of dividends and other distributions to Shareholders;
 - (ii) communicate with it as necessary in connection with the proper running of its business affairs and generally in connection with the holding of Placing Shares;
 - (iii) provide personal data to such third parties as are or shall be necessary in connection with the proper running of its business affairs and generally in connection with the holding of Placing Shares or as the Data Protection Legislation may require, including to third parties outside the United Kingdom or the European Economic Area (subject to the use of a transfer mechanism which is approved at the relevant time by the European Commission or any other regulatory body which has or acquires the right to approve methods of transfer of personal data outside the UK); and
 - (iv) process its personal data for the purpose of their internal record-keeping and reporting

obligations;

- (y) in providing Investec, the Registrar and the Company Secretary with information, and to the extent that such information relates to a third party procured by a Placee to subscribe for Placing Shares and any nominee for any such persons, it hereby represents and warrants to Investec, the Registrar and the Company Secretary that it has obtained any necessary consents of any data subject whose data it has provided, to Investec, the Registrar and the Company Secretary and their respective associates holding and using their personal data for the Purposes (including, where required, the explicit consent of the data subjects for the processing of any personal data (including special categories of personal data (as defined in applicable Data Protection Legislation)) for the Purposes set out in paragraph (x) above) and will make the list of "Purposes" for which Investec, the Registrar and the Company Secretary will process the data (as set out in paragraph (x) above) available to all data subjects whose personal data may be shared by it in connection with any Placing. For the purposes of this Part 8, "data subject", "data controller", "data processor", "personal data" and "sensitive personal data" shall have the meanings attributed to them in the Data Protection Legislation;
- (z) Investec and the Company are entitled to exercise any of their rights under the Sponsor and Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them;
- (aa) the representations, undertakings and warranties contained in this Prospectus (and any supplementary prospectus issued by the Company) are irrevocable. It acknowledges that Investec 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 Placing Shares are no longer accurate, it shall promptly notify Investec and the Company;
- (ab) where it or any person acting on behalf of it is dealing with Investec, any money held in an account with Investec 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 Investec to segregate such money, as that money will be held by Investec under a banking relationship and not as trustee;
- (ac) any of its clients, whether or not identified to Investec, will remain its sole responsibility and will not become clients of Investec for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- (ad) it accepts that the allocation of Placing Shares in respect of any Placing shall be determined by Investec and the Company in their absolute discretion and that such persons may scale down any commitments for this purpose on such basis as they may determine;
- (ae) time shall be of the essence as regards its obligations to settle payment for the Placing Shares and to comply with its other obligations under any Placing; and
- (af) authorises Investec to deduct from the total amount subscribed under the any Placing the aggregate commission (if any) (calculated at the rate agreed with the Placee) payable on the number of Placing Shares allocated under that Placing.

5 United States purchase and transfer restrictions

By participating in any Placing, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Placing 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 and Investec that:

- (a) it is not a US Person, is not located within the United States, is acquiring the Placing Shares in an offshore transaction meeting the requirements of Regulation S and is not acquiring the Placing Shares for the account or benefit of a US Person;
- (b) it acknowledges that the Placing Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit

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

"SMITHSON INVESTMENT TRUST PLC (THE "COMPANY") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS."
 - (f) if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the Placing Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act and under circumstances which will not require the Company to register under the US Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
 - (g) it is purchasing the Placing 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 Placing Shares in any manner that would violate the Securities Act, the US Investment Company Act or any other applicable securities laws;
 - (h) it acknowledges that the Company reserves the right to make inquiries of any holder of the Placing Shares or interests therein at any time as to such person's status under the 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 the US securities laws to transfer such Placing Shares or interests in accordance with the Articles;
 - (i) it acknowledges and understand the Company is required to comply with FATCA and that the Company will follow FATCA's extensive reporting and withholding requirements. The Placee agrees to furnish any information and documents which the Company may from time to time request, including but not limited to information required under FATCA;
 - (j) it is entitled to acquire the Placing 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 Placing Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Manager, Investec or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Placing Programme or its acceptance of participation in any Placing;

- (k) it has received, carefully read and understands this Prospectus (and any supplementary prospectus issued by the Company), and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus (and any supplementary prospectus issued by the Company) or any other presentation or offering materials concerning the Placing Shares to or within the United States or to any US Persons, nor will it do any of the foregoing; and
- (l) if it is acquiring any Placing Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

6 Supply and disclosure of information

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

7 Miscellaneous

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

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

Each Placee agrees to be bound by the Articles once the Placing Shares, which the Placee has agreed to subscribe for pursuant to any Placing, have been acquired by the Placee. The contract to subscribe for Placing Shares under any Placing and the appointments and authorities mentioned in this Prospectus will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Investec, 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 a Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for Placing Shares under any 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.

Investec and the Company expressly reserve the right to modify any Placing (including, without limitation, their timetable and settlement) at any time before allocations are determined. Each Placing is subject to the satisfaction of the conditions contained in the Sponsor and Placing Agreement and the Sponsor and Placing Agreement not having been terminated. Further details of the terms of the Sponsor and Placing Agreement are contained in paragraph 9 of Part 7 of this Prospectus.

DEFINITIONS

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

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| <i>"2019 Report and Accounts"</i> | has the meaning given to it in paragraph 2 of Part 4 of this Prospectus |
| <i>"Accounting and Administration Services Agreement"</i> | the accounting and administration services agreement between the Company, the Investment Manager and Administrator, a summary of which is set out in paragraph 9 of Part 7 of this Prospectus |
| <i>"Administrator"</i> | Northern Trust Global Services SE |
| <i>"AIC"</i> | the Association of Investment Companies |
| <i>"AIC Code"</i> | the AIC Code of Corporate Governance, as amended from time to time |
| <i>"AIF"</i> | an Alternative Investment Fund, as defined in the AIFM Directive |
| <i>"AIFM"</i> | an Alternative Investment Fund Manager, as defined in the AIFM Directive |
| <i>"AIFM Directive" *</i> | the EU Directive on Alternative Investment Fund Managers |
| <i>"Annual General Meeting"</i> | the annual general meeting of the Company held on 30 March 2020 |
| <i>"Articles"</i> | the articles of association of the Company |
| <i>"Audit Committee"</i> | the audit committee of the Company |
| <i>"Benefit Plan Investor"</i> | (i) an employee benefit plan that is subject to the fiduciary responsibility or prohibited transaction provisions of Title I of the ERISA (including, as applicable, assets of an insurance company general account) or a plan that is subject to the prohibited transaction provisions of section 4975 of the Internal Revenue Code (including an individual retirement account), (ii) an entity whose underlying assets include "plan assets" by reason of a plan's investment in the entity, or (iii) any "benefit plan investor" as otherwise defined in section 3(42) of ERISA or regulations promulgated by the US Department of Labor |
| <i>"Board" or "Directors"</i> | the directors of the Company whose names are set out on page 25 of this Prospectus |
| <i>"Business Day"</i> | a day on which the London Stock Exchange and banks in England and Wales are normally open for business |
| <i>"Buyback and Stabilisation Regulation" *</i> | Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures |
| <i>"Companies Act"</i> | the Companies Act 2006, as amended from time to time |
| <i>"Company"</i> | Smithson Investment Trust plc |
| <i>"Company Secretarial Agreement"</i> | the company secretarial agreement between the Company and the Company Secretary, a summary of which is set out in paragraph 9 of Part 7 of this Prospectus |
| <i>"Company Secretary"</i> | PraxisIFM Fund Services (UK) Limited |
| <i>"CREST"</i> | the relevant system (as defined in the Regulations) in respect of which Euroclear is the operator (as defined in the Regulations) |
| <i>"CREST account"</i> | an account in the name of the relevant holder in CREST |
| <i>"C Shares"</i> | ordinary shares of ten pence each in the capital of the Company issued as "C Shares" and having the rights and being subject |

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| | to the restrictions set out in the Articles, which will convert into Ordinary Shares as set out in the Articles |
| "CTA 2010" | Corporation Tax Act 2010 |
| "Data Protection Legislation" * | any law applicable from time to time relating to the processing of personal data and/or privacy, as in force at the date of this Prospectus or as re-enacted, applied, amended, superseded, repealed or consolidated, including without limitation, the UK Data Protection Act 2018, the General Data Protection Regulation (EU) 2016/679, and the Privacy and Electronic Communications (EC Directive) Regulations 2003, in each case including any legally binding regulations, direction and orders issued from time to time under or in connection with any such law or, from Brexit Date, any successor or replacement law |
| "Depository" | Northern Trust Global Services SE |
| "DTRs" or "Disclosure Guidance and Transparency Rules" | the disclosure guidance and transparency rules made by the FCA under Part VI of the FSMA |
| "EEA" | the states which comprise the European Economic Area |
| "ERISA" | the United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder |
| "Euroclear" | Euroclear UK and Ireland Limited, the operator of CREST |
| "Excluded Territory" | any member state of the EEA (other than the United Kingdom and (prior to the later of Brexit Date and the expiry of any Transitional Period), the Republic of Ireland), the United States of America, Canada, Australia, Japan and the Republic of South Africa and any other jurisdiction where the extension or availability of any Placing (as the case may be) would breach any applicable law |
| "FATCA" | the US Foreign Account Tax Compliance Act of 2010 |
| "FCA" | the Financial Conduct Authority |
| "Finance Act 2006" | the Finance Act 2006, as amended from time to time |
| "First Placing Agreement" | the placing and offer agreement between the Company, the Directors, the Investment Manager and Investec relating to the Initial Issue and the First Placing Programme, as described in paragraph 9 of Part 7 of this Prospectus |
| "First Placing Programme" | the placing programme of Ordinary Shares as described in the Company prospectus dated 17 September 2018 |
| "FIS" | Fundsmith Investment Services Limited |
| "FSMA" | the Financial Services and Markets Act 2000, as amended from time to time |
| "Fundsmith Equity Fund" | Fundsmith Equity Fund, an investment company of variable capital established in England and Wales with regulated number IC000846 |
| "GDPR"* | the General Data Protection Regulation (Regulation EU 2016/679) |
| "Governance Code" | the UK Corporate Governance Code dated July 2018, as amended from time to time |
| "Gross Assets" | the aggregate value of the total assets of the Company |
| "HMRC" | HM Revenue and Customs |
| "IFRS" | International Financial Reporting Standards, as adopted by the European Union, as amended from time to time |
| "Implementation Period" | the period beginning at 11.01 p.m. on 31 January 2020 and |

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| | ending on 31 December 2020 at 11.00 p.m. (or such later time or date as may be specified in accordance with the Withdrawal Agreement Act) during which the United Kingdom has agreed, under the terms of a Withdrawal Agreement, to remain subject to certain of the laws and regulations of the European Union |
| <i>"Initial Issue"</i> | the Initial Placing, the Intermediaries Offer and the Offer for Subscription |
| <i>"Initial Placing"</i> | the conditional placing by Investec on behalf of the Company of Ordinary Shares which closed on 16 October 2018 pursuant to the First Placing Agreement |
| <i>"Intermediaries Offer"</i> | the offer of Ordinary Shares by intermediaries which closed on 16 October 2018 |
| <i>"Investable Universe"</i> | the companies in which the Investment Manager has determined that the Company may invest as at the date of this Prospectus |
| <i>"Investec"</i> | Investec Bank plc |
| <i>"Investment Advisers Act"</i> | the US Investment Advisers Act of 1940, as amended from time to time |
| <i>"Investment Manager" or "Fundsmith"</i> | Fundsmith LLP |
| <i>"Investment Management Agreement"</i> | the investment management agreement between the Company and the Investment Manager, a summary of which is set out in paragraph 9 of Part 7 of this Prospectus |
| <i>"Investment Trust Regulations"</i> | The Investment Trust (Approved Company) (Tax) Regulations 2011 |
| <i>"IRS"</i> | the US Internal Revenue Service |
| <i>"IPO"</i> | the admission of Ordinary Shares issued pursuant to the Initial Issue to the Official List and to trading on the Main Market of the London Stock Exchange on 19 October 2018 |
| <i>"Key Information Document" or "KID"</i> | the Company's "Key Information Document", such term having the same meaning as in the PRIIPs Regulation, prepared in respect of the Ordinary Shares |
| <i>"Listing Rules"</i> | the Listing Rules made by the FCA under Part VI of the FSMA, as amended from time to time |
| <i>"Link Asset Services"</i> | a trading name of Link Market Services Limited, a company incorporated in England and Wales with registered number 2605568 |
| <i>"London Stock Exchange"</i> | London Stock Exchange plc |
| <i>"LSE Admission Standards"</i> | the London Stock Exchange Admission and Disclosure Standards |
| <i>"Management Fee"</i> | the fee payable by the Company to the Manager, as described in paragraph 9 of Part 7 of this Prospectus |
| <i>"Market Abuse Regulation" *</i> | Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse |
| <i>"MiFIDII" *</i> | EU Directive 2014/65/EU on matters in financial instruments |
| <i>"Money Laundering Directive" *</i> | the Money Laundering Directive 2015/849/EC of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing |
| <i>"Money Laundering Regulations"</i> | the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulation 2017, as amended from time to time |
| <i>"Net Asset Value" or "NAV"</i> | the net asset value of the Company calculated in accordance with the valuation policies of the Company from time to time as |

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| | appropriate |
| "Nominee" | Link Market Services Trustees Limited |
| "Nominee Services Agreement" | the nominee services agreement between the Company and the Nominee, as described in paragraph 9 of Part 7 of this Prospectus |
| "NMPI" | a non-mainstream pooled investment as defined in the FCA's handbook of rules and guidance |
| "Offer" or "Offer for Subscription" | the offer for subscription, which closed on 18 October 2018 |
| "Official List" | the Official List of the FCA |
| "Ordinary Shares" | ordinary shares (issued and to be issued) of 1 penny each in the share capital of the Company |
| "Placee" | a person subscribing for Ordinary Shares under any Placing |
| "Placing" | any placing by Investec on behalf of the company at the relevant Placing Programme Price pursuant to the Placing Programme and in accordance with the Sponsor and Placing Agreement |
| "Placing Letter" | as defined in Part 8 of this Prospectus |
| "Placing Programme" | the proposed programme of placings of Ordinary Shares as described in Part 5 of this Prospectus |
| "Placing Programme End Date" | 31 March 2021 |
| "Placing Programme Price" | the price of Placing Shares issued pursuant to a Placing under the Placing Programme, determined in accordance with Part 5 of this Prospectus |
| "Placing Shares" | Ordinary Shares to be issued pursuant to a Placing |
| "Plan Asset Regulations" | the US Department of Labor Regulations, 29 C.F.R. 2510.3-101, as and to the extent modified by section 3(42) of ERISA |
| "PRIIPs Regulation" * | Regulation (EU) No. 1286/2014 on key information documents for packaged retail and insurance-based investment products |
| "Programme Admission" | any admission of Ordinary Shares issued pursuant to the Placing Programme to the Official List and to trading on the Main Market of the London Stock Exchange becoming effective in accordance with the Listing Rules and or the LSE Admission Standards |
| "Prospectus" | this document |
| "Prospectus Regulation" * | Regulation (EU) 2017/2019 as amended from time to time |
| "Prospectus Regulation Rules" | the Prospectus Regulation Rules made by the FCA under Part VI of the FSMA |
| "Receiving Agent" or "Registrar" | Link Asset Services |
| "Registrar Agreement" | the registrar agreement between the Company and the Registrar, a summary of which is set out in paragraph 9 of Part 7 of this Prospectus |
| "Regulation S" | Regulation S under the Securities Act |
| "Regulations" | the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) |
| "RIS announcement" | means an announcement by a regulatory information service |
| "Securities Act" | the US Securities Act of 1933, as amended from time to time |
| "Shareholder" | a holder of Ordinary Shares |
| "shares" | transferable securities |
| "Similar Law" | any US federal, state, local or foreign law that is similar to provision 406 of ERISA or section 4975 of the Internal Revenue Code |
| "Sponsor and Placing Agreement" | the placing agreement between the Company, the Investment |

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| | Manager and Investec, as described in paragraph 9 of Part 7 of this Prospectus |
| <i>"Takeover Code"</i> | the City Code on Takeovers and Mergers |
| <i>"Treasury Regulations"</i> | the US Department of Treasury Regulations |
| <i>"UK" or "United Kingdom"</i> | the United Kingdom of Great Britain and Northern Ireland |
| <i>"US" or "United States"</i> | the United States of America (including the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction |
| <i>"US Code"</i> | the US Internal Revenue Code of 1986, as amended from time to time |
| <i>"US Exchange Act"</i> | the US Securities Exchange Act of 1934, as amended from time to time |
| <i>"US Investment Company Act"</i> | the US Investment Company Act of 1940, as amended from time to time |
| <i>"US Person"</i> | a "US Person" as defined in Regulation S of the Securities Act |
| <i>"VAT"</i> | UK Value Added Tax and/or any other tax of a similar nature (including any other value added tax, consumption tax, goods and services tax or sales tax) applicable in the UK or any other country |
| <i>"Withdrawal Agreement"</i> | the agreement entered into between the United Kingdom and the European Union on 24 January 2020 pursuant to Article 50 of the Treaty of Lisbon regarding the terms of the United Kingdom's withdrawal from the European Union |
| <i>"Withdrawal Agreement Act"</i> | the European Union (Withdrawal Agreement) Act 2020 |

* As applies in the UK during the Implementation Period pursuant to the Withdrawal Agreement Act. Following the end of the Implementation Period references in this Prospectus to terms marked with an asterick in this Definitions section shall be taken to refer to such (i) equivalent or replacement law or regulation applying to persons in the United Kingdom; or (ii) equivalent or replacement regulator overseeing the application of relevant law or regulation in the United Kingdom, as applicable.