

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

This document comprises a prospectus relating to GLI Alternative Finance plc (the “Company”) prepared in accordance with the Prospectus Rules. This document has been approved by the Financial Conduct Authority (“FCA”) and has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules.

Application has been made for all of the Ordinary Shares of the Company to be admitted to trading on the London Stock Exchange (Specialist Fund Market). It is expected that First Admission will become effective and that dealings for normal settlement in the Ordinary Shares will commence on 23 September 2015 and any Subsequent Admission will become effective and that dealings for normal settlement in such Ordinary Shares or C Shares as the case may be, will commence between 1 September 2015 and 31 August 2016. All dealings in Ordinary Shares or C Shares, as the case may be, prior to the commencement of unconditional dealings will be at the sole risk of the parties concerned. The Ordinary Shares and C Shares will not be dealt in on any other recognised investment exchange and no other such applications have been made or are currently expected.

The Company and each of the Directors, whose names appear on page 39 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

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

GLI Alternative Finance plc

(Incorporated in England and Wales with company no. 09682883 and registered as an investment company under section 833 of the Companies Act 2006)

ISSUE IN CONNECTION WITH THE ACQUISITION OF THE INITIAL PORTFOLIO AND PLACING AND OFFER FOR A MINIMUM OF 45 MILLION ORDINARY SHARES AT £1 PER ORDINARY SHARE TO RAISE A MINIMUM OF £45 MILLION

PLACING PROGRAMME OF UP TO 200 MILLION ORDINARY SHARES AND/OR C SHARES IN AGGREGATE

Manager

GLI Asset Management Limited

Financial Adviser, Broker and Placing Agent

Nplus1 Singer Advisory LLP

Nplus1 Singer Advisory LLP (“N+1 Singer”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no one else in relation to each Admission and the Issues and the other arrangements referred to in this document. N+1 Singer will not regard any other person (whether or not a recipient of this document) as its client in relation to any Admission or the Issues 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 any Admission or the Issues, the contents of this document or any transaction or arrangement referred to herein. Apart from the responsibilities and liabilities, if any, which may be imposed on N+1 Singer by FSMA or the regulatory regime established thereunder, N+1 Singer does not make any representation express or implied in relation to, nor accepts any responsibility whatsoever for, the contents of this document or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, the C Shares or the Issues. N+1 Singer accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might have in respect of this document or any other statement.

The Ordinary Shares and the C Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)). In addition, the Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “**US Investment Company Act**”), and the recipient of this document will not be entitled to the benefits of that Act. This document must not be distributed into the United States or to US Persons. Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved of these securities or determined if this document is truthful or complete. Any representation to the contrary is a US criminal offence.

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Ordinary Shares and/or C Shares in any jurisdiction where such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or N+1 Singer. The Ordinary Shares and the C Shares have not been, and will not be, registered under the securities laws, or with any securities regulatory authority of, any member state of the EEA other than the United Kingdom, or any province or territory of Australia, Canada, the Republic of South Africa or Japan. Subject to certain exceptions, the Ordinary Shares and the C Shares may not, directly or indirectly, be offered, sold, taken up or delivered in, into or from any member state of the EEA other than the United Kingdom, Australia, Canada, the Republic of South Africa or Japan or to or for the account or benefit of any national, resident or citizen or any person resident in any member state of the EEA other than the United Kingdom, Australia, Canada, the Republic of South Africa or Japan. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves of and observe any restrictions.

The Company is a registered closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the “**POI Law**”) and the Registered Collective Investment Scheme Rules 2015 issued by the Guernsey Financial Services Commission (the “**GFSC**”). The GFSC, in granting registration, has not reviewed this document but has relied upon specific warranties provided by Elysium Fund Management Limited, the Company’s designated administrator. Neither the GFSC nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it. The Directors of the Company have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in this document, whether of fact or of opinion. All of the Directors accept responsibility accordingly.

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

It should be remembered that the price of the Ordinary Shares and/or the C Shares and any income from them can go down as well as up.

The Intermediaries Offer will open on 2 September 2015 and will close at 5.00 p.m. on 17 September 2015.

Dated 1 September 2015

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Summary

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

Section A – Introduction and warnings		
A.1.	Warning	<p>This summary should be read as an introduction to this document. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2.	Subsequent resale of securities or final placement of securities through financial intermediaries	<p>The Company consents to the use of this document by financial intermediaries in connection with the subsequent resale or final placements of securities by financial intermediaries.</p> <p>The offer period within which any subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use this document is given commences on 2 September 2015 and closes at 5.00 p.m. on 17 September 2015, unless closed prior to that date.</p> <p>Any intermediary that uses this document must state on its website that it uses this document in accordance with the Company’s consent. Intermediaries are required to provide the terms and conditions of the Intermediaries Offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such Intermediary. Information on the terms and conditions of any subsequent resale or final placement of securities by any Intermediary is to be provided at the time of the offer by the Intermediary.</p> <p>The Company has not given its consent to the use of this document for the resale or final placement of Ordinary Shares or C Shares by financial intermediaries under the Placing Programme.</p>

Section B – The Company		
B.1.	Legal and commercial name	GLI Alternative Finance plc
B.2.	Domicile and legal form	The Company was incorporated in England and Wales on 13 July 2015 with registered number 09682883 as a public company limited by shares under the Act. The principal legislation under which the Company operates is the Act.
B.3.	Current operations	Not applicable. The Company has not yet commenced operations.
B.5.	Group description	Conditional on First Admission, the Initial Portfolio Investor will become a wholly-owned subsidiary of the Company.
B.6.	Major shareholders	As at the date of this document, insofar as known to the Company, there are no parties known to have a notifiable interest under English law in the Company's capital or voting rights. All Shareholders have the same voting rights in respect of the share capital of the Company. The Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
B.7.	Key financial information	Not applicable. The Company has been newly incorporated, has not commenced operations and has no historical financial information.
B.8.	Key pro forma financial information	Not applicable. No pro forma financial information is included in this document.
B.9.	Profit forecast	Not applicable. No profit forecast or estimate is included in this document.
B.10.	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The Company has been newly incorporated, has not commenced operations and has no historical financial information.
B.11.	Insufficiency of working capital	Not applicable. The Company is of the opinion that, taking into account the minimum Gross Proceeds, the working capital available to it is sufficient for its present requirements that is for at least 12 months from the date of this document.
B.34.	Investment objective and policy	<p>Investment objective</p> <p>The Company's investment objective is to provide Shareholders with attractive risk adjusted returns through investment, principally via the Investee Platforms, in a range of SME loan assets, diversified by way of asset class, geography and duration. The Company may invest directly or indirectly into available opportunities, including by making investments in, or acquiring interests held by, third party alternative lending Platforms and other lending related opportunities as identified by the Manager in accordance with the Company's investment policy, set out below.</p>

		<p>Investment policy</p> <p>The Company intends to achieve its investment objective by investing in a range of loans originated principally through the Investee Platforms in which GLIF holds strategic equity investments. The Company may also make investments through other third party alternative lending Platforms that present suitable investment opportunities identified by the Manager.</p> <p>The Company will seek to ensure that diversification of its portfolio is maintained, with the aim of spreading investment risk.</p> <p>Geography – The Company will seek investments in SME loan assets in a broad range of jurisdictions (although weighted towards the UK) in order to build a global portfolio of loan assets.</p> <p>Asset classes – The Company will invest in a wide range of SME loan assets including short-term lending such as invoice and supply chain financing; mid-term lending such as trade or short-term bridge finance; and long-term lending such as the provision of fixed term loans with standard covenants and subject to monthly interest payments.</p> <p>Duration – The Company will hold a portfolio of loans with broad terms of duration to maturity. However, the Company’s loan portfolio will be weighted towards short-term financing to ensure an adequate degree of liquidity. This is intended to provide the Company with both a liquid pool of assets ready for realisation, as well as a reliable stream of longer-term income.</p> <p>Security – The Company will seek to invest in loan assets with a range of different types of security. Funds invested by the Company will be secured, as and when required, over a range of assets including property, intellectual property or other specific assets, personal guarantees or via credit insurance. Loans will be unsecured only in the case of short-term, low ticket size lending, where the perceived level of risk in respect of the particular asset is low.</p> <p>The Company will be indifferent to sector when allocating funds via the Investee Platforms, alternative third party lending Platforms and in respect of any direct loan investments. It will instead adhere to the investment restrictions which apply to the Company’s loan portfolio as a whole.</p> <p>Investment restrictions</p> <p>The following investment restrictions in respect of the general deployment of the Company’s assets have been established by the Company in pursuit of its aim to maintain a diversified investment portfolio and thus mitigate concentration risks:</p> <p>Geography – Once the proceeds of the Issue are fully invested, the Company will comply with the restrictions set out below on its percentage holdings of loan assets in the UK and the Rest of the World. No more than 70 per cent. of the Company’s Gross Assets will be invested in UK loan assets, with at least 30 per cent. of</p>
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		<p>Gross Assets being invested in loan assets from other jurisdictions around the world.</p> <p><i>UK</i>: no more than 70 per cent. of Gross Assets; and</p> <p><i>Rest of the World (being any jurisdiction outside the UK)</i>: at least 30 per cent. of Gross Assets.</p> <p>Duration – The Company will invest between 10 per cent. and 40 per cent. of Gross Assets in loan assets where the duration to maturity of the loan asset is less than six months. The Company will invest between 10 per cent. and 40 per cent. of Gross Assets in loan assets where the duration to maturity of the loan asset is between six months and 18 months. The Company will invest between 10 per cent. and 40 per cent. of Gross Assets in loan assets where the duration to maturity is greater than 18 months but less than 36 months. The Company will invest between 10 per cent. and 40 per cent. of Gross Assets in loan assets where the duration to maturity is 36 months or longer.</p> <p>Security – Once the proceeds of the Issue are fully invested, no more than 50 per cent. of Gross Assets will be held in unsecured loan assets.</p> <p>Other restrictions – From time to time, the Company may provide loans to the Platforms themselves, to fund the general working capital requirements of the Platform, rather than for onward deployment in SME loan assets. At any time, the total of any such working capital loans will be limited to five per cent. of Gross Assets in aggregate (calculated at the time of investment).</p> <p>To avoid concentration risk, for the Company’s top ten investments (measured by Gross Assets), the Company will invest no more than 2.5 per cent. of Gross Assets (calculated at the time of investment) into an individual credit risk. For investments outside the top ten, the Company will invest no more than one per cent. of Gross Assets (calculated at the time of investment) into an individual credit risk. Where a loan finances a basket of underlying credits, the exposure to any one underlying credit will not be more than 2.5 per cent. of Gross Assets (calculated at the time of investment) for the Company’s top ten investments, and not more than one per cent. of Gross Assets (calculated at the time of investment) outside of the top ten investments.</p>
B.35	Borrowing limits	<p>Borrowings may be employed by the Company or any of its investee entities (including any special purpose vehicles that may be established by the Company in connection with obtaining leverage against any of its assets).</p> <p>The Company may employ borrowings (through bank or other facilities) of up to 150 per cent. of Net Asset Value in aggregate (calculated at the time of draw down under any bank facility that the Company has entered into), which includes, on a look-through basis, borrowings of any investee entity.</p>
B.36.	Regulatory status	<p>As an investment trust, the Company is not regulated as a collective investment scheme by the FCA. However, from First Admission, the Ordinary Shares will be admitted to trading on the</p>

		<p>London Stock Exchange (Specialist Fund Market) and the Company will, therefore, be required to comply with the London Stock Exchange Admission and Disclosure Standards and the Disclosure and Transparency Rules.</p> <p>The Company is a Guernsey registered closed-ended investment scheme registered pursuant to the POI Law and the Registered Collective Investment Scheme Rules 2015 issued by the GFSC (GFSC reference number 2266249).</p>
B.37.	Typical investor	<p>The Issue and the Placing Programme are designed to be suitable for institutional investors and professionally-advised private investors seeking exposure to alternative finance investments and related instruments. The Ordinary Shares and/or C Shares may also be suitable for investors who are non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in the Ordinary Shares and/or C Shares.</p>
B.38.	Investment of 20 per cent. or more of gross assets in single underlying asset or collective investment undertaking	<p>Conditional on First Admission, the Company will acquire 100 per cent. of the share capital of the Initial Portfolio Investor which will represent no more than 90 per cent. of the Company's gross assets at the time of acquisition.</p>
B.39.	Investment of 40 per cent. or more of gross assets in another collective investment undertaking	<p>Conditional on First Admission, the Company will acquire 100 per cent. of the share capital of the Initial Portfolio Investor which will represent no more than 90 per cent. of the Company's gross assets at the time of acquisition.</p>
B.40	Applicant's service providers	<p>Manager</p> <p>The Company's manager is GLI Asset Management Limited, a non-cellular company limited by shares registered in Guernsey with registered number 60362 whose registered office address is Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 4NA. The Manager is licensed and regulated by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (GFSC reference number 2265480). The Manager is a wholly owned subsidiary of GLI Finance Limited, a non-cellular company limited by shares registered in Guernsey with registration number 43260, whose registered office address is at Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 4NA.</p> <p>Under the terms of the Management Agreement, the Manager is entitled to a management fee, together with reasonable expenses incurred by it in the performance of its duties. The management fee (exclusive of VAT) is calculated monthly at the following rates expressed as a percentage of the Company Value (the "Company Value" being the lower of the Company's NAV or the Company's market capitalisation):</p>

		<p>(i) 0.75 per cent. per annum of the Company Value up to £100 million; and</p> <p>(ii) 0.5 per cent. per annum of such part of the Company Value as exceeds £100 million).</p> <p>For the period from First Admission until the date on which 90 per cent. of the net proceeds of the Placing and the Intermediaries Offer have been invested or committed for investment (other than in Cash Instruments), the value attributable to any Cash Instruments of the Company held for investment purposes shall be excluded from the calculation of NAV for the purposes of determining the management fee. The management fee is payable quarterly in arrears in pounds sterling. No performance fee will be payable to the Manager.</p> <p>Financial Adviser, Broker, Placing Agent and Intermediaries Offer Adviser</p> <p>N+1 Singer has undertaken, as agent for the Company, to use its reasonable endeavours to procure subscribers under the Placing for Ordinary Shares at the Issue Price, to use its reasonable endeavours to procure subscribers under the Placing Programme for Shares at the Placing Programme Price and to act as the intermediaries offer adviser in respect of the Intermediaries Offer.</p> <p>In consideration for its services in relation to the Placing and Placing Programme and conditional upon completion of the relevant Issue, N+1 Singer is entitled to receive a corporate finance fee of £250,000 and a commission of an amount equal to 1.5 per cent. of the Gross Proceeds, each payable on First Admission. In respect of any Subsequent Admission, N+1 Singer shall be entitled to receive a commission of an amount equal to 2 per cent. of the Placing Programme Gross Proceeds raised in connection with each Subsequent Placing pursuant to the Placing Programme, payable immediately upon each relevant Subsequent Admission.</p> <p>Administrator and Company Secretary</p> <p>Elysium Fund Management Limited has been appointed as the administrator and company secretary of the Company. The Administrator and Company Secretary is licensed and regulated by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (GFSC reference number 1036796). The Administrator is responsible for the Company's general administration and secretarial functions, such as the calculation of the Net Asset Value and maintenance of the Company's accounting records.</p> <p>Under the terms of the Administration Agreement, the Administrator is entitled to a one-off fee of £25,000, conditional upon First Admission. Thereafter, an administration fee of £100,000 per annum shall be payable by the Company to the Administrator quarterly in arrears. The Company shall also pay the Administrator a time-based fee for the placing, settlement and associated administration of investment transactions as agreed in</p>
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		<p>writing from time to time. The Administrator is entitled to reimbursement of all reasonable out of pocket expenses properly incurred by it in connection with its duties.</p> <p>Registrar</p> <p>Capita Asset Services (a trading name of Capita Registrars Limited) has been appointed as the Company’s registrar to provide share registration services. Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee of £2.00 per Shareholder account, subject to an annual minimum charge of £3,500 per annum, exclusive of VAT and disbursements.</p> <p>Receiving Agent</p> <p>Capita Asset Services (a trading name of Capita Registrars Limited) has been appointed as the Company’s receiving agent to provide receiving agent services to the Company in respect of the redemption facility. Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to fees of £3.95 per Redemption Request received in respect of any Redemption Point, subject to a minimum aggregate charge of £1,500 per redemption (excluding VAT). The Receiving Agent shall also be entitled to reimbursement of all reasonable out of pocket expenses properly incurred on behalf of the Company.</p> <p>Custodian</p> <p>Butterfield Bank (Guernsey) Limited has been appointed as the Company’s custodian. The Custodian is a non-cellular company limited by shares registered in Guernsey with registered number 21061 whose registered office address is P.O. Box 25, Regency Court, Glatigny Esplanade, St Peter Port, Guernsey GY1 3AP. The Custodian is licensed by, and subject to the supervision of, the GFSC, under the Banking Supervision (Bailiwick of Guernsey) Law, 1994, The Protection of Investors (Bailiwick of Guernsey) Law, 1987 and the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2000, each as amended from time to time.</p> <p>Under the terms of the Custody Agreement, the Custodian is entitled to a fee of:</p> <ul style="list-style-type: none"> (i) 0.02 per cent. per annum of the Gross Assets up to £250 million; (ii) 0.015 per cent. per annum of the Gross Assets on the portion of the Gross Assets that is between £250 million and £500 million; and (iii) 0.01 per cent. per annum of the Gross Assets on the portion of the Gross Assets that is between £500 million and £750 million, <p>subject to an annual minimum fee of £25,000.</p> <p>The Custodian’s fee is charged quarterly in arrears and a transaction fee of £100 per lodgement or withdrawal of a loan document shall also be payable by the Company.</p>
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B.41.	Regulatory status of manager and custodian	<p>The Manager is authorised and regulated by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (GFSC reference number 2265480).</p> <p>The Custodian is licensed by, and subject to the supervision of, the GFSC under the Banking Supervision (Bailiwick of Guernsey) Law, 1994, The Protection of Investors (Bailiwick of Guernsey) Law, 1987 and the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000, each as amended from time to time.</p>
B.42.	Calculation and publication of Net Asset Value	The unaudited Net Asset Value per Ordinary Share and per C Share (if any are in issue) will be calculated by the Administrator on a monthly basis. Such calculations will be published monthly, on a cum-income and ex-income basis, through a Regulatory Information Service and will be available through the Company's website.
B.43.	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.
B.44.	No financial statements have been made up	As at the date of this document, the Company has not yet commenced operations and no financial statements have been made up.
B.45.	Portfolio	<p>The Company has not commenced operations and so has no portfolio as at the date of this document.</p> <p>The loans comprising the Initial Portfolio have been transferred by GLIF to the Initial Portfolio Investor, a wholly owned subsidiary of GLIF for total consideration of £39.94 million (based on the value of the loans as at the Latest Practicable Date). The Company has entered into the Share Purchase Agreement with GLIF pursuant to which it has agreed to acquire, conditional on First Admission, the entire issued share capital of the Initial Portfolio Investor from GLIF. Under the Share Purchase Agreement, the Company will acquire the issued shares of the Initial Portfolio Investor at net asset value as at the date falling two days before First Admission valued in accordance with the methodology described in this document, in consideration for the Company issuing to GLIF the Consideration Shares.</p>
B.46.	Net Asset Value	Not applicable. The Company has not commenced operations and so has no Net Asset Value as at the date of this document.

Section C – Securities

C.1.	Type and class of securities	<p>The Company intends to issue Ordinary Shares of nominal value of £0.01 each pursuant to the Issue. The Company also intends to issue Ordinary Shares of nominal value £0.01 each and C Shares of nominal value £0.10 each pursuant to the Placing Programme.</p> <p>The ISIN of the Ordinary Shares is GB00BYMK5S87. The SEDOL of the Ordinary Shares is BYMK5S8. The ticker for the Ordinary Shares is GLAF.</p>
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		The ISIN of the C Shares is GB00BYMK5T94. The SEDOL of the C Shares is BYMK5T9. The ticker for the C Shares is GLAC.						
C.2.	Currency denomination of Ordinary Shares and C Shares	The Ordinary Shares and the C Shares are denominated in Sterling.						
C.3.	Details of share capital	<p>Set out below is the issued share capital of the Company as at the date of this document:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;"><i>Nominal Value (£)</i></th> <th style="text-align: right;"><i>Number</i></th> </tr> </thead> <tbody> <tr> <td>Management Shares</td> <td style="text-align: right;">50,000</td> <td style="text-align: right;">50,000</td> </tr> </tbody> </table> <p>The Management Shares will be paid up in full on First Admission.</p>		<i>Nominal Value (£)</i>	<i>Number</i>	Management Shares	50,000	50,000
	<i>Nominal Value (£)</i>	<i>Number</i>						
Management Shares	50,000	50,000						
C.4.	Rights attaching to the Ordinary Shares and C Shares	<p>The holders of the Ordinary Shares and C Shares are entitled to receive, and to participate in, any dividends declared in relation to the relevant class of shares that they hold.</p> <p>On a winding-up or a return of capital by the Company, if there are C Shares in issue, the net assets of the Company attributable to the C Shares shall be divided <i>pro rata</i> among the holders of the C Shares. For so long as C Shares are in issue, and without prejudice to the Company's obligations under the Act, the assets attributable to the C Shares shall, at all times, be separately identified and shall have allocated to them such proportion of the expenses or liabilities of the Company as the Directors fairly consider to be attributable to them.</p> <p>The holders of Ordinary Shares shall be entitled to all of the Company's net assets after taking into account any net assets attributable to any C Shares (if any) in issue.</p> <p>The Ordinary Shares and the C Shares shall carry the right to receive notice of, attend and vote at general meetings of the Company.</p> <p>The consent of the holders of Ordinary Shares or the holders of C Shares will be required for the variation of any rights attached to the relevant class of shares (as applicable).</p> <p>The Company has been incorporated with an unlimited life. However, in the event that the Ordinary Shares have been trading at a discount to NAV of greater than 10 per cent. for three consecutive months (calculated on a rolling three monthly average of daily numbers), the Company shall convene, within 30 days of the above having occurred, a general meeting to propose to Shareholders the Continuation Resolution. If the Continuation Resolution is not passed, the Board will draw up proposals for the winding-up or reconstruction of the Company for submission to Shareholders as a special resolution at a further general meeting to be convened by the Board for a date not more than 90 days after the date of general meeting at which the Continuation Resolution was not passed. If the Continuation Resolution is passed the Directors shall not be obliged to convene any further general meeting pursuant to these provisions for at</p>						

		least 12 months from the date on which a Continuation Resolution is passed.
C.5.	Restrictions on the free transferability of the securities	Subject to compliance with the applicable securities laws, there are no restrictions on the free transferability of the Ordinary Shares or C Shares.
C.6.	Admission	<p>Application has been made for all of the Ordinary Shares now being offered pursuant to the Issue to be admitted to trading on the London Stock Exchange (Specialist Fund Market). It is expected that First Admission will become effective and that dealings for normal settlement in the Ordinary Shares will commence on 23 September 2015.</p> <p>Application will also be made for all of the Ordinary Shares and/or C Shares to be issued pursuant to the Placing Programme to be admitted to trading on the London Stock Exchange (Specialist Fund Market). It is expected that any Subsequent Admission will become effective and dealings will commence between 1 September 2015 and 31 August 2016.</p> <p>Applications will be made for all the Ordinary Shares arising on conversion of the C Shares to be admitted to trading on the London Stock Exchange (Specialist Fund Market).</p> <p>Neither the Ordinary Shares nor the C Shares will be dealt on any other recognised investment exchange and no applications for Ordinary Shares or C Shares to be traded on such other exchanges have been made or are currently expected.</p>
C.7.	Dividend policy	<p>The Company intends to distribute at least 85 per cent. of its distributable income earned in each financial year by way of dividends. The Company will target a net dividend yield of 8.0 per cent. per annum of the Issue Price per Ordinary Share as at First Admission. The Company intends to pay monthly dividends to Shareholders each financial year, with the first dividend expected to be paid in November 2015. Investors should note that the target dividend, including its declaration and payment frequency, is a target only and is not a profit forecast. There may be a number of factors that adversely affect the Company's ability to achieve its target dividend yield and there can be no assurance that it will be met. The target dividend should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not rely on these targets in deciding whether to invest in the Ordinary Shares or assume that the Company will make any distributions at all.</p>
C.22.	Information about the Ordinary Shares and the C Shares	<p>In the event that any C Shares are issued under the Placing Programme, the investments which are attributable to the relevant C Shares will, following Conversion, be merged with the Company's existing portfolio of investments. New Ordinary Shares arising on Conversion of C Shares will rank <i>pari passu</i> with the Ordinary Shares then in issue.</p> <p>The Ordinary Shares carry the right to receive all dividends declared by the Company or the Directors, subject to the rights attaching to any C Shares then in issue.</p>

		<p>On a winding-up, provided that the Company has satisfied all of its liabilities and subject to the rights conferred by any C Shares in issue at that time to participate in the winding-up, the holders of Ordinary Shares will be entitled to all of the surplus assets of the Company.</p> <p>Holders of Ordinary Shares will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each Ordinary Share held.</p> <p>The nominal value of the Ordinary Shares is £0.01 per Ordinary Share.</p> <p>The Ordinary Shares are in registered form and will be admitted to trading on the London Stock Exchange (Specialist Fund Market). The Company will use its reasonable endeavours to procure that, upon Conversion, the new Ordinary Shares are admitted to trading on the London Stock Exchange (Specialist Fund Market).</p> <p>Subject to compliance with applicable securities laws, there are no restrictions on the free transferability of the Ordinary Shares.</p>
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Section D – Risks		
D.1./D.2.	Key information on the key risks that are specific to the Company and its industry	<p>The Company has no operating history.</p> <p>There can be no guarantee that the investment objective of the Company will be achieved or that the Company’s portfolio of investments will generate the rates of return referred to in this document. There is no guarantee that any dividends will be paid in respect of any financial year or period.</p> <p>The Company has no employees and is reliant on the performance of third party service providers. Failure by the Manager or any other third party service provider to perform in accordance with the terms of its appointment could have a material detrimental impact on the operation of the Company.</p> <p>Loan default rates may be affected by a number of factors outside the Company’s control and actual default rates may vary significantly from historical observations.</p> <p>Any change in the Company’s tax status or in taxation legislation or practice generally could adversely affect the value of the investments held by the Company, or the Company’s ability to provide returns to Shareholders, or alter the post-tax returns to Shareholders.</p>
D.3.	Key information on the key risks that are specific to the Ordinary Shares and the C Shares	<p>The value of the Ordinary Shares and C Shares and the income derived from those shares (if any) can fluctuate and may go down as well as up. The market price of the Ordinary Shares and C Shares, like shares in all investment trusts, may fluctuate independently of their underlying Net Asset Value and may trade at a discount or premium at different times.</p> <p>It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Ordinary Shares or the C Shares.</p>

		<p>If the Directors decide to issue further Ordinary Shares or C Shares, the proportions of the voting rights held by Shareholders may be diluted.</p> <p>Shareholders should be aware that the operation of the redemption facility may lead to a more concentrated and less liquid portfolio which may adversely affect the Company's performance and value. Further, redemptions may also adversely affect the secondary market liquidity of the Ordinary Shares.</p>
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Section E – Offer		
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E.1.	Proceeds and expenses of the issue	<p>The net proceeds of the Issue are dependent on the level of subscriptions received pursuant to the Issue. Assuming Gross Proceeds are £45 million, the net proceeds will be approximately £44.18 million.</p> <p>The costs and expenses of the Issue (including all fees, commissions and expenses payable to the Placing Agent) will be paid by the Company. There is no cap on the costs and expenses of the Issue.</p> <p>If the minimum Gross Proceeds are raised, the expenses of the Issue will be approximately £0.82 million.</p> <p>The net proceeds of the Placing Programme are dependent, <i>inter alia</i>, on: the Directors determining to proceed with a placing under the Placing Programme, the level of subscriptions received and the price at which such Ordinary Shares and/or C Shares are issued. It is expected that the costs of issuing Ordinary Shares under the Placing Programme, including listing fees and placing commissions, will be covered by issuing such Ordinary Shares at a premium to the prevailing cum-income Net Asset Value per Ordinary Share. The costs and expenses of any issue of C Shares under the Placing Programme will be paid out of Gross Proceeds and will be borne by holders of C Shares only.</p>
E.2.a.	Reasons for the Issue, use of proceeds and estimated net amount of proceeds	<p>The Directors intend to use the net proceeds of the Issue to acquire investments in accordance with the Company's investment objective and policy, as set out in this document, including for working capital purposes.</p> <p>Assuming Gross Proceeds are £45 million, the net proceeds will be approximately £44.18 million.</p> <p>The net proceeds of the Placing Programme are dependent, <i>inter alia</i>, on: the Directors determining to proceed with a placing under the Placing Programme, the level of subscriptions received and the price at which such Ordinary Shares and/or C Shares are issued. It is expected that the costs of issuing Ordinary Shares under the Placing Programme, including listing fees and placing commissions, will be covered by issuing such Ordinary Shares at a premium to the prevailing cum-income Net Asset Value per Ordinary Share. The costs and expenses of any issue of C Shares under the Placing Programme will be paid out of Gross Proceeds and will be borne by holders of C Shares only.</p>

E.3.	Terms and conditions of the Issue	<p>The Ordinary Shares are being made available under the Issue at the Issue Price.</p> <p>The Placing will close at 1.00 p.m. on 16 September 2015 (or such later date as the Company and N+1 Singer may agree). If the Placing is extended, the revised timetable will be notified through a Regulatory Information Service. The terms and conditions which apply to any subscription for Placing Shares procured by N+1 Singer will be set out in the Placing Letters that will be provided to Placees under the Placing.</p> <p>The Offer will close at 5.00 p.m. on 17 September 2015.</p> <p>The Consideration Shares will be issued to GLIF by the Company pursuant to the Share Purchase Agreement conditional on First Admission and concurrently with the Ordinary Shares to be issued to Placees under the Placing and applicants under the Offer.</p> <p>The Issue is conditional upon: (a) admission of the Ordinary Shares to be issued pursuant to the Issue to trading on the London Stock Exchange (Specialist Fund Market) occurring on or before 8.00 a.m. on 23 September 2015 (or such time and/or date as the Company and N+1 Singer may agree, being not later than 31 October 2015); (b) the Placing Agreement becoming unconditional in all respects (save for the occurrence of First Admission itself and any conditions which are specific to the Placing Programme) and not having been terminated in accordance with its terms before First Admission; (c) the minimum Gross Proceeds being raised; and (d) the Share Purchase Agreement entered into between the Company and GLIF becoming unconditional in accordance with its terms (save for the occurrence of First Admission itself).</p> <p>Following the Issue, the Company proposes to implement the Placing Programme. Each allotment and issue of Ordinary Shares and/or C Shares pursuant to the Placing Programme is conditional, inter alia, on: (a) the Placing Programme Price being determined by the Directors; (b) Admission of the Ordinary Shares and/or C Shares pursuant to such issue; and (c) a valid supplementary prospectus being published by the Company if such is required pursuant to the Prospectus Rules.</p> <p>The Placing Programme Price will be determined by the Company and, in the case of Ordinary Shares, will be not less than the Net Asset Value (cum income) per Ordinary Share at the time of issue and, in the case of C Shares, will be £1.00 per C Share.</p> <p>Investors should note that the operation of the bi-annual redemption facility is entirely at the discretion of the Board, and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of Ordinary Shares that may be redeemed.</p>
E.4.	Material interests	Not applicable. There are no interests that are material to the Issue or the Placing Programme and no conflicting interests.
E.5.	Name of person selling securities	Not applicable. No person or entity is offering to sell Ordinary Shares or C Shares as part of the Issue or the Placing Programme.

E.6.	Dilution	<p>No dilution will result from the Issue.</p> <p>If 200 million Ordinary Shares or C Shares are issued pursuant to the Placing Programme, assuming the Issue has been subscribed as to 45 million Ordinary Shares, there would be a dilution of approximately 81.63 per cent. in Shareholders' voting control of the Company immediately after the Issue. The voting rights may be diluted further on conversion of any C Shares depending on the applicable conversion ratio. However, it is not anticipated that there will be any dilution in the NAV per Ordinary Share as a result of any issues of Ordinary Shares and/or C Shares under the Placing Programme.</p>
E.7.	Estimated expenses charged to the investor by the issuer	<p>Not applicable. Other than in respect of expenses of, or incidental to, First Admission and the Issue, which the Company intends to pay out of the proceeds of the Issue, there are no commissions, fees or expenses to be charged to investors by the Company under the Issue. All expenses incurred by any Intermediary are for its own account. Investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application pursuant to the Intermediaries Offer.</p> <p>The costs and expenses of the Placing Programme will depend on subscriptions received but it is expected that in respect of an issue of Ordinary Shares these costs will be covered by issuing such Ordinary Shares at a premium to the prevailing cum-income Net Asset Value per Ordinary Share. The costs and expenses of any issue of C Shares under the Placing Programme will be paid out of Gross Proceeds and will be borne by holders of C Shares only.</p>

The following information relates to the Initial Portfolio Investor. It has been included here as the Company is required to include information relating to the Initial Portfolio Investor by virtue of the fact that more than 20 per cent. of the Company's gross assets will be invested in the Initial Portfolio Investor.

Section A – Introduction and warnings		
A.1	Warning	<p>This summary should be read as an introduction to this document. Any decision to invest in the securities should be based on consideration of this document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this document before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	<p>Not applicable. No securities are being offered by the Initial Portfolio Investor.</p>

Section B – Initial Portfolio Investor																																		
B.1	Legal and commercial name of the issuer	GLI Alternative Finance Guernsey Limited.																																
B.2	Domicile and legal form	The Initial Portfolio Investor is a non-cellular company limited by shares registered in Guernsey with registered number 60205.																																
B.5	Group description	The Initial Portfolio Investor is wholly owned by GLIF, formed solely for the purpose of holding the Initial Portfolio for the Company. It does not have any subsidiaries.																																
B.6	Major shareholders	As at the date of this document, GLIF holds 100 per cent. of the shares in the Initial Portfolio Investor and therefore controls 100 per cent. of the voting rights.																																
B.7	Financial statements	<p>The key audited figures that summarise the financial condition of the Initial Portfolio Investor in respect of the period ended 31 July 2015, which have been extracted directly from the historical information of the Initial Portfolio Investor are set out in the following table:</p> <p>Statement of Financial Position <i>as at 31 July 2015</i></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; vertical-align: bottom;"><i>31 July 2015 £'000</i></th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td></td> </tr> <tr> <td>Loans</td> <td style="text-align: right;">37,616</td> </tr> <tr> <td>Other receivables</td> <td style="text-align: right;">259</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">37,875</td> </tr> <tr> <td>Current assets</td> <td></td> </tr> <tr> <td>Loans</td> <td style="text-align: right;">2,436</td> </tr> <tr> <td>Other receivables</td> <td style="text-align: right;">170</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">2,606</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">40,481</td> </tr> <tr> <td>Total liabilities</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">–</td> </tr> <tr> <td>Net assets</td> <td style="text-align: right; border-bottom: 3px double black;">40,481</td> </tr> <tr> <td>Capital and reserves attributable to owner of the Initial Portfolio Investor</td> <td></td> </tr> <tr> <td>Share capital</td> <td style="text-align: right;">–</td> </tr> <tr> <td>Distributable reserve</td> <td style="text-align: right;">40,481</td> </tr> <tr> <td>Total equity attributable to owner of the Initial Portfolio Investor</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">40,481</td> </tr> </tbody> </table> <p>There has been no significant change in the financial condition or operating results of the Initial Portfolio Investor since 31 July 2015, being the last date to which financial information about the Initial Portfolio Investor has been prepared.</p>		<i>31 July 2015 £'000</i>	Non-current assets		Loans	37,616	Other receivables	259		37,875	Current assets		Loans	2,436	Other receivables	170		2,606	Total assets	40,481	Total liabilities	–	Net assets	40,481	Capital and reserves attributable to owner of the Initial Portfolio Investor		Share capital	–	Distributable reserve	40,481	Total equity attributable to owner of the Initial Portfolio Investor	40,481
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B.8	Selected pro forma financial information	Not applicable. No pro forma financial information is included in this document.																																

B.9	Profit forecast or estimate	Not applicable. No profit forecast or estimate is included in this document.
B.10	Qualifications in the audit report	Not applicable. There have been no qualifications in the audit reports on the historical financial information.

Section C – Securities

C.3	Details of the share capital	At the Latest Practicable Date, GLIF held 100 per cent. of the share capital of the Initial Portfolio Investor.
C.7	Distribution policy	There is no intention to make any distributions from the Initial Portfolio Investor.

Section D – Risks

D.1	Key information on the key risks that are specific to the Initial Portfolio Investor	Loan default rates may be affected by a number of factors outside the Initial Portfolio Investor’s control and actual default rates may vary significantly from historical observations.
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Risk Factors

The Company's business, financial condition, performance, prospects, results and/or share price could be materially and adversely affected by any of the risks described below. If any of the adverse events described below actually occur, investors may lose all or part of their investment.

In addition to the other information set out in this document, the risks described below should be carefully considered by investors prior to making any investment decision relating to the Shares. The risks set out below are those risks which the Directors consider to be material as at the date of this document, but are not the only risks relating to the Shares and/or the Group. There may be additional risks that the Directors do not currently consider to be material or of which the Directors are not aware, which may affect the Group's financial condition, performance, prospects, results and/or the price of Shares.

An investment in the Shares involves significant risks and is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment. An investment in the Shares should constitute part of a diversified investment portfolio. Investment in the Shares should not be regarded as short-term in nature and involves a high degree of risk. Typical investors are expected to be professionally advised private investors and professional investors. Prospective investors should review carefully and evaluate the risks and other information contained in this document before making a decision to invest in the Shares. If investors are in any doubt as to the consequences of their acquiring, holding or disposing of Shares, or whether an investment in the Shares is suitable for them in the light of information in, or incorporated by reference into, this document or their personal circumstances including the financial resources available to them, they should immediately consult their stockbroker or other independent financial advisor authorised under the FSMA who specialises in advising on the acquisition of shares and other securities or, in the case of investors outside the United Kingdom, another appropriately authorised independent financial advisor before making their own decision to invest in the Shares.

FCA authorised firms conducting designated investment business with retail customers under COB Rules are reminded that securities admitted to trading on the Specialist Fund Market will be securities that may have characteristics such as: (i) variable levels of secondary market liquidity; (ii) sophisticated corporate structures; (iii) highly leveraged structures; and (iv) sophisticated investment propositions with concentrated risks and are therefore intended for institutional, professional and highly knowledgeable investors. The Company and its advisers not subject to the COB Rules are responsible for compliance with equivalent conduct of business or point of sale rules in the jurisdiction in which they are based or in which they are marketing the securities concerned (if applicable).

RISKS RELATING TO THE GROUP

The Company may not meet its investment objective

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

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

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

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

The Company has no operating history

The Company has not commenced operations and has no operating history. No historical financial statements or other meaningful operating or financial data upon which prospective investors may base an evaluation of

the likely performance of the Company have been prepared. An investment in the Company is therefore subject to all the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its investment objective and that the value of an investment in the Company could decline substantially as a consequence.

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

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

Borrowing risk

Prospective investors should be aware that, whilst the use of borrowings is intended to accelerate the growth in the Net Asset Value of the Group where the value of its underlying assets is rising and exceeds the cost of borrowing, it will, however, have the opposite effect where the return on the Group's underlying assets is less than the cost of borrowing or even negative. In addition, in the event that the Company's income falls for whatever reason, the use of borrowings will increase the impact of such a fall on the net revenue of the Group and accordingly will have an adverse effect on the Company's ability to pay dividends to Shareholders.

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

The Group will pay interest on its borrowings. As such, the Group is exposed to interest rate risk due to fluctuations in the prevailing market rates.

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

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

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

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

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

The Company is reliant on IT systems to facilitate the loan acquisition process

The Company is reliant on the functionality and performance of the software and infrastructure systems of the Platforms. Any failure of these systems could have a material adverse effect on the ability to acquire and realise investments and therefore impact the Company's results of operations.

The IT systems of the Platforms are outside the control of the Company and the Manager. Technology complications associated with lost or broken data fields as a result of Platform-level changes to the software used by the Platforms may impact the Company's ability to receive and process the data received from the Platforms.

The Manager relies extensively on computer systems and proprietary programs to evaluate and purchase loans, to monitor its portfolios and to generate reports that are critical to the oversight of its investments. Certain of the Manager's operations interface with or depend on systems operated by third parties and the Manager may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including those caused by computer "worms", viruses and power failures. Such failures could cause the evaluation and purchase of loans to fail, lead to inaccurate accounting, recording or processing of transactions relating to loans and cause inaccurate reports which may affect the Manager's ability to monitor investments and risks as well as its ability to deploy capital. Any such defect or failure could cause the Company to suffer financial loss, the disruption of its business, regulatory intervention or reputational damage.

The Company may experience fluctuations in its operating results

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

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

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

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

The Company is subject to laws and regulations enacted by national and local governments. In particular, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to closed-ended investment companies whose securities are admitted to trading on the London Stock Exchange (Specialist Fund Market). The Company must comply with the London Stock Exchange Admission and Disclosure Standards and the Disclosure and Transparency Rules.

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

Currency risk and hedging risk

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

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

Certain hedging arrangements may create for the Manager and/or one of its affiliates a registration or exemption obligation with the US Commodity Futures Trading Commission or other regulator.

Valuation risk

The Company's investments will be largely, if not entirely, unquoted assets and the valuation of such investments will involve the Manager exercising judgement. There can be no guarantee that the basis of calculation of the value of the Company's investments used in the valuation process will reflect the actual value on realisation of those investments.

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

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

US Investment Company Act

Because the Company's proposed business involves the identification and investment in loans and securities related to loans, it is possible that, in the future, the Company will meet the technical definition of an "Investment Company" under the US Investment Company Act of 1940, as amended (Investment Company Act). Investment Companies must register with the SEC and comply with an on-going strict regime of regulations. The Company believes it qualifies for numerous exemptions from registration as an Investment Company, including a jurisdictional paradigm essentially exempting non-US entities. Although the Issue and the Placing Programme are not being made in the United States and qualifies as an offshore transaction under US securities laws, US investors may nevertheless invest in the Company on the secondary market. While the Company believes it to be unlikely, because of the character of its future assets and US activities which may attract US investors, it is possible that the SEC determines that the Company must register and operate as an Investment Company, which will be costly, time-consuming and potentially hinder the Company's investment activities and investment returns. This risk may be compounded because of the proposed level of investment of the net proceeds of the Issue and any Placing Programme in the US, and because US regulators may view the peer-to-peer market with disfavour.

RISKS RELATING TO COMPLIANCE AND REGULATION OF PLATFORMS

Risks relating to compliance and regulation of Platforms in the UK

In order to engage in the activity of "operating an electronic system in relation to lending" the UK peer to peer Platforms in which the Company invests must be authorised and regulated by the FCA, following changes to consumer credit regulation introduced in April 2014. The FCA is currently allowing application periods, granting Platforms an interim permission which provides the Platforms with a three-month window in which they must apply to the FCA for full authorisation. The Investee Platforms to which this legislation applies, being FundingKnight, Proplend and Crowdshed, have been granted interim permission by the FCA and are in the process of obtaining full authorisation. If any Platform through which the Company invests were to fail to obtain full authorisation, this may result in the Platform being forced to cease its operations and may cause disruption to the servicing and administration of loans in which the Company has invested through that Platform. Any such disruption may impact the quality of debt collection procedures in relation to those loans and may result in reduced returns to the Company from those investments.

The FCA has recently also introduced new regulatory controls for Platform operators, including the application of conduct of business rules (in particular, around disclosure and promotions), minimum capital requirements, client money protection rules, dispute resolution rules and a requirement for firms to take

reasonable steps to ensure existing loans continue to be administered if the firm goes out of business. The introduction of these regulations and any further new laws and regulations could have a material adverse effect on the UK Platforms' businesses and may result in interruption of operations by the Platforms or these Platforms seeking to pass increased regulatory compliance costs to their lender members, such as the Company, through the lender fees charged to them.

RISKS RELATING TO THE MANAGER

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

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

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

The Manager and its affiliates are involved in other financial, investment and professional activities which may on occasion give rise to conflicts of interest with the Company. In particular, the Manager manages and advises funds other than the Company and may provide investment management, investment advisory or other services in relation to these funds or future funds which may have similar investment policies to that of the Company.

The Manager and its affiliates may carry on investment activities for their own accounts and for other accounts in which the Company has no interest. The Manager and its affiliates also provide management services to other clients, including other collective investment vehicles. The Manager and its affiliates may give advice and recommend investments to other managed accounts or investment funds which may differ from advice given to, or investments recommended or bought for, the Company, even though their investment policies may be similar.

In the event that other funds which may be managed by the Manager in future wish to participate in an investment in the loans alongside the Company and such investment is appropriate for one or more of such funds, the Manager will present the investment opportunity to each such fund and the Company. In this case, each fund and the Company will be provided with an equal right to participate in the investment opportunity. The amounts of any such investment opportunity allocated between the funds and the Company will be on a pro rata basis to the relative demands of the funds and the Company. Only after the investment appetite of the Company and the other funds managed by the Manager is satisfied could the Manager participate in any investment in the loans itself. Any such co-investment may be on the same or on different terms to any contemporaneous investment by the Company.

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

The Company depends upon the diligence, skill, judgement and business contacts of the Manager's investment professionals and the information and deal flow they generate during the normal course of their activities. In particular, Geoffrey Miller and Andrew Whelan are considered key individuals as the advisers principally responsible for sourcing and evaluating suitable investments for the Company. The Company's future success depends on the continued service of these individuals (or their replacements from time to time) who are not obligated to remain employed with the Manager, and the Manager's ability to recruit, retain and motivate new talented personnel. However, the Manager may not be successful in its efforts to recruit, retain and motivate the required personnel as the market for qualified investment professionals is competitive.

There can be no assurance that the Directors will be able to find a replacement manager if the Manager resigns

Under the terms of the Management Agreement, the Manager may resign by giving the Company not less than 12 months' written notice. The Manager shall, from the date such resignation takes effect, cease to source and evaluate investments for the Company. The Directors would, in these circumstances, have to find a replacement investment manager for the Company and there can be no assurance that such a replacement with the necessary skills and experience could be appointed on terms acceptable to the Company. In this event, the Directors would have to formulate and put forward to Shareholders proposals for the future of the Company, which may include its merger with another investment company, its reconstruction or winding up.

RISKS RELATING TO THE COMPANY'S PORTFOLIO

Competition and portfolio concentration risks

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

There is a risk that the Company will not be able to deploy its capital, re-invested capital and interest of the proceeds of any future capital raisings in a timely or efficient manner given the increased demand for suitable investments. The rate of deployment of such capital would be contingent on the availability of suitable inventory at that time.

The Company may face increasing competition for access to investments as the alternative finance industry continues to evolve. The Company may face competition from other institutional lenders such as fund vehicles and commercial banks that are substantially larger and have considerably greater financial, technical and marketing resources than the Company. Other institutional sources of capital may enter the market in the UK, Europe (excluding the UK), the US and in other jurisdictions around the world. These potential competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than the Manager. There can be no assurance that the competitive pressures the Company faces will not erode the Company's ability to deploy capital and thus impact the financial condition and results of the Company.

Unquoted investments

Investments which are unquoted may be difficult to value and/or realise.

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

Risk of borrower default and inadequacy of collateral

The ability of the Company to earn revenue is dependent upon payments being made by the borrowers of the loans acquired by the Company through a Platform or by the borrowers of a Platform to which the Company has provided a credit facility. In the case of the former, the Company (as a lender member) will receive payments under any loans it acquires through a Platform only if the corresponding borrower through that Platform (borrower member) makes payments on the loan. In the case of the latter, any default in repayment of any loans by borrowers will affect the ability of the Platform to repay the Company any amounts lent to it.

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

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

Loan default rates may be significantly affected by economic downturns or general economic or political conditions beyond the Company's control. In particular, default rates on loans may increase due to factors

such as prevailing interest rates, the rate of unemployment, the level of consumer confidence, residential real estate values, the value of the US Dollar, Euros or Sterling, energy prices, changes in consumer spending, the number of personal bankruptcies, insolvencies, disruptions in the credit markets and other factors. Default rates on loans have increased over the past few years as a result of the significant downturn in the global economy caused by the recession. Any further downturn in the global economy may result in high or increased loan default rates in future.

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

Prepayment risk

Borrowers may decide to prepay all or a portion of the remaining principal amount due under a borrower loan at any time without penalty. In the event of a prepayment of the entire remaining unpaid principal amount of a borrower loan acquired by the Company, the Company will receive such prepayment but further interest will not accrue on such loan after the date of the prepayment. If the borrower prepays a portion of the remaining unpaid principal balance interest will cease to accrue on the prepaid portion, and the Company will not receive all of the interest payments that it expected to receive.

Fraud

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

Limited secondary market and liquidity

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

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

The Company may make investments indirectly via other investment vehicles, including those created specifically for the purpose of the investment by the Company in a loan opportunity, such as SPVs created in certain jurisdictions for accounting purposes, or to allow the Company to make investments alongside other loan providers. As a participant in any such vehicle, the Company would bear, along with other participants, its *pro rata* share of the fees and expenses of that vehicle. These expenses and fees may be in addition to the fees and expenses which the Company bears directly in connection with its own operations. The existence of such additional fees and expenses may result in reduced returns to investors.

Any investment vehicles in which the Company invests may employ gearing. Accordingly, the Company will be subject to the risks associated with gearing in connection with such investments. Whilst gearing should enhance returns where the value of a fund's underlying assets is rising, it will have the opposite effect where the return on the underlying assets is less than the cost of borrowing, or even negative, further reducing the return.

RISKS RELATING TO CUSTODY

Any financial instruments of the Company that are required to be held in custody pursuant to the AIFM Directive shall be held in custody with the Custodian and/or its sub-custodians. Cash and matured fiduciary deposits may not be treated as segregated assets and might therefore not be segregated from the Custodian's or sub-custodian's own assets in the event of the insolvency or the opening of bankruptcy, moratorium, liquidation or reorganisation proceedings of the Custodian or its sub-custodian (as the case may be). In such circumstances, the Company may suffer an irrecoverable loss in respect of such assets which could have a material adverse effect on the Company's financial performance.

RISKS RELATING TO TAXATION

Investment trust status

It is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions for approval as an investment trust. Any change in the Company's tax status or in taxation legislation generally could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders, lead the Company to lose its exemption from UK corporation tax on chargeable gains or alter the post-tax returns to Shareholders. It is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain status as an investment trust, as the Ordinary Shares and C Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for maintaining investment trust status, will, as soon as reasonably practicable, notify Shareholders of this fact.

Overseas taxation

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

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

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

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

RISKS RELATING TO THE ORDINARY SHARES AND THE C SHARES

General risks affecting the Ordinary Shares and the C Shares

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

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

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

The price at which the Ordinary Shares and C Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its investments and some which may affect companies generally. Admission should not be taken as implying that there will be a liquid market for the Ordinary Shares or the C Shares. The Specialist Fund Market is a relatively new market and likely liquidity and price volatility levels are relatively unknown. Liquidity experienced on the Specialist Fund Market to date may not be a suitable indicator for likely liquidity levels in the future. The Company is not required to appoint a market maker or make a market for Ordinary Shares or C Shares traded on the Specialist Fund Market.

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

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

Redemption facility

Shareholders should be aware that the operation of the bi-annual redemption facility may lead to a more concentrated and less liquid portfolio which may adversely affect the Company's performance and value. Further, redemptions may also adversely affect the secondary market liquidity of the Ordinary Shares.

Where Shareholders submit valid elections for the redemption of their Ordinary Shares the Redemption Price they receive will be calculated by reference to the Dealing Value per Ordinary Share calculated as at the appropriate Valuation Point applicable to the relevant Redemption Point and not as at the date of the Redemption Request. The value of the Ordinary Shares that are the subject of the Redemption Request will be subject to movements in value in the period between the Redemption Request and the Redemption Point and, consequently, Shareholders submitting valid Redemption Requests may receive redemption proceeds which are substantially less than the NAV of their Ordinary Shares as at the date of their Redemption Request.

Shareholders holding Ordinary Shares in uncertificated form making valid elections to redeem their Ordinary Shares will be required to transfer their Ordinary Shares being redeemed to escrow in CREST. It will not, therefore, be possible to trade those Ordinary Shares which will be held in escrow pending completion of the relevant redemption and the subsequent cancellation of those Ordinary Shares or the transfer of those Ordinary Shares to an incoming investor under the matched bargain facility. Shareholders holding Ordinary Shares in certificated form making valid elections to redeem their Ordinary Shares will be required to deliver their Share certificates to the Company's receiving agent with the relevant Redemption Request. It will not, therefore, be possible to transfer those Ordinary Shares pending completion of the relevant redemption and the subsequent cancellation or transfer of such Ordinary Shares.

Investors should note that the operation of the bi-annual redemption facility is entirely at the discretion of the Board, and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of Ordinary Shares that may be redeemed. Investors should also note that in circumstances where the acceptance of Redemption Requests would result in the Major Shareholder holding 90 per cent. or more of the issued Ordinary Shares, the Board may exercise its right to decline or scale back any such Redemption Requests.

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

Although the Ordinary Shares and C 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 or redemption of Ordinary Shares or the transfer of C Shares. These circumstances include where a transfer of Ordinary Shares and/or C Shares would cause, or is likely to cause: (i) the assets of the Company to be considered “plan assets” of any Benefit Plan Investor; (ii) the Company to be required to register under the US Investment Company Act, or members of the senior management of the Company to be required to register as “investment advisers” under the Investment Advisers Act; (iii) the Company to be required to register under the US Exchange Act or any similar legislation, amongst others; or (iv) the Company to be unable to comply with its obligations under FATCA.

Further issues of Ordinary Shares and C Shares

The Directors have been authorised to issue up to 200 million Ordinary Shares and/or C Shares in aggregate immediately following First Admission pursuant to the Placing Programme without the application of pre-emption rights. If the Directors decide to issue further Ordinary Shares or C Shares on a non-pre-emptive basis the proportions of the voting rights held by Ordinary Shareholders on First Admission will be diluted on the issue of such shares as each Ordinary Share and each C Share carries the right to vote. The voting rights may be diluted further on conversion of any C Shares depending on the applicable conversion ratio.

RISKS RELATING TO ORDINARY SHARES AND ADMISSION

The Company’s Major Shareholder will have substantial influence over the Company

The Major Shareholder will hold approximately 88.97 per cent. of the issued share capital of the Company immediately after First Admission (assuming the minimum Gross Proceeds are raised). Accordingly, it may, as a practical matter, be able to influence certain matters requiring approval by Shareholders, including approval of significant corporate transactions in certain circumstances.

Such concentration of ownership may also have the effect of delaying or preventing any future proposed change in control of the Company. Although the Company and the Major Shareholder have entered into the Relationship Agreement, which provides, *inter alia*, that the Company’s independence will be maintained, the Major Shareholder will nonetheless be in a position to significantly influence the Group’s operations and business strategy and there is a risk that the Major Shareholder may seek to impose other duties and obligations on the Company.

The Major Shareholder will have the ability to cast sufficient votes to pass or defeat any ordinary or special resolution of the Company

Conditional upon First Admission, the Major Shareholder will hold, and accordingly be able to vote in respect of, approximately 88.97 per cent. of the issued share capital of the Company (assuming the Minimum Net Proceeds are raised). The Major Shareholder will therefore be able to cast sufficient votes at a general meeting of the Company to pass or defeat any ordinary or special resolution requiring a simple majority or 75 per cent. of those attending and voting in present or by proxy at the meeting.

The Orderly Market Deed to which the Major Shareholder is a party and the Relationship Agreement effectively restrict the Major Shareholder from increasing or decreasing its shareholding for a prescribed period of time.

The Placing and Offer are not being underwritten

The Placing and Offer are not being underwritten. It is therefore possible that not all the Ordinary Shares will be subscribed, that the proceeds of the Placing and Offer may therefore be less than expected and that the percentage of the Ordinary Shares held by the Major Shareholder will be higher than expected.

Substantial future sales of Ordinary Shares could impact the market price of Ordinary Shares

Upon First Admission, the Major Shareholder will in aggregate hold approximately 88.97 per cent. of the issued share capital of the Company (assuming the minimum Gross Proceeds are raised). These Ordinary Shares will be subject to orderly market arrangements, described in further detail in paragraph 7.9 of Part X of this document. Sales of substantial numbers of Ordinary Shares by the Major Shareholder following any relaxation of the orderly market arrangement or time expiration of the orderly market arrangement or sales by other holders of Ordinary Shares could adversely affect the prevailing market price of the Ordinary Shares.

The large shareholding of the Major Shareholder in the Company may affect the share price of the Ordinary Shares

The trading price of the Ordinary Shares could be adversely affected if potential new investors are disinclined to invest in the Company because they perceive disadvantages to a large shareholding being concentrated in the hands of a single shareholder or group of connected shareholders.

Important Notices

General

This document should be read in its entirety before making any application for Ordinary Shares and/or C Shares. Prospective Shareholders should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Manager, Administrator, Custodian or N+1 Singer or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the Prospectus Rules and the Disclosure and Transparency Rules neither the delivery of this document nor any subscription made under this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

Apart from the liabilities and responsibilities (if any) which may be imposed on N+1 Singer by FSMA or the regulatory regime established thereunder, N+1 Singer does not make any representations, express or implied, or accept any responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares and/or C Shares, any Admission or the Issues. N+1 Singer (together with its respective affiliates) accordingly to the fullest extent permitted by law disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this document or any such statement.

In connection with the Issues, N+1 Singer and any of its affiliates acting as an investor for their own account(s) may subscribe for the Ordinary Shares and/or C Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or related investments in connection with the Issue or otherwise. Accordingly, references in this document to the Ordinary Shares and/or C Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, N+1 Singer or any of its affiliates acting as an investor for its or their own account(s). N+1 Singer does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

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

Under the Intermediaries Offer, the Ordinary Shares are being offered to Intermediaries who will facilitate the participation of their retail investor clients (and any member of the public who wishes to become a client of that Intermediary) located in the United Kingdom, the Channel Islands and the Isle of Man. The Company consents to the use of this document by financial intermediaries in connection with any subsequent resale or final placement of securities by financial intermediaries in the UK, the Channel Islands and the Isle of Man on the following terms (i) in respect of the Intermediaries who have been appointed by the Company prior to the date of this document, as listed in paragraph 15 of Part X of this document; and (ii) in respect of Intermediaries who are appointed by the Company after the date of this document, a list of which appears on the Company's website, from the date on which they are appointed to participate in connection with any subsequent resale or final placement of securities and, in each case, until the closing of the period for the subsequent resale or final placement of securities by financial intermediaries at 5.00 p.m. on 17 September 2015, unless closed prior to that date.

The offer period within which any subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use this document is given commences on 1 September 2015 and closes at 5.00 p.m. on 17 September 2015, unless closed prior to that date (any such prior closure to be announced via a Regulatory Information Service).

Any Intermediary that uses this document must state on its website that it uses this document in accordance with the Company's consent. Intermediaries are required to provide the terms and conditions of the Intermediaries Offer to any prospective investor (whether or not already a client of that Intermediary) who has expressed an interest in participating in the Intermediaries Offer to such Intermediary. **Information on the terms and conditions of any subsequent resale or final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.**

The Company consents to the use of this document and accepts responsibility for the content of this document also with respect to subsequent resale or final placement of securities by any financial intermediary given consent to use this document.

Any new information with respect to financial intermediaries unknown at the time of approval of this document will be made available on the Company's website.

Data protection

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

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

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

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

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

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

Regulatory Information

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

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

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

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions. Neither the Ordinary Shares nor the C Shares may be offered, sold, pledged or otherwise transferred to (i) any US Person or a person acting for the account of a US Person or (ii) a Benefit Plan Investor.

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

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

The Ordinary Shares and C Shares are being offered and issued outside the United States in reliance on Regulation S. Neither the Ordinary Shares nor the C Shares have been nor will they 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 within the United States. In addition, the Company has not registered and will not register under the US Investment Company Act. Neither the Ordinary Shares nor the C Shares have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering or the issue of the Ordinary Shares or the C Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and the re-offer or resale of any of the Ordinary Shares and/or C Shares in the United States may constitute a violation of US law.

Each applicant for Ordinary Shares and/or C Shares will be required to certify that, among other things, the offer of Ordinary Shares and/or C Shares was made to it, and at the time its buy order was originated, it was located outside the United States and that it is not a US Person (within the meaning of Regulation S).

Notice to prospective investors in the European Economic Area

Neither the Ordinary Shares nor the C Shares have, nor will be, registered under the securities laws, or with any securities regulatory authority of, any member state of the EEA other than the United Kingdom and subject to certain exceptions, neither the Ordinary Shares nor the C Shares may, directly or indirectly, be offered, sold, taken up or delivered in or into any member state of the EEA other than the United Kingdom.

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

Forward-looking statements

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

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations, the Company expressly disclaims any obligation to update or revise any forward-looking statement contained herein to reflect changes in expectations with regard thereto or any change in events, conditions, or circumstances on which any statement is based, unless required to do so by law or any appropriate regulatory authority, including FSMA, the Prospectus Rules and the Disclosure and Transparency Rules.

Past or projected performance is not necessarily indicative of future results, and there can be no assurance that the Company or its portfolio will achieve comparable results to those presented herein, that the investment strategies stated herein can be implemented or that the investment objectives stated herein can be achieved.

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

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

Voluntary Compliance with the Listing Rules

An application has been made for all of the Ordinary Shares to be issued pursuant to the Issue to be admitted to trading on the London Stock Exchange (Specialist Fund Market). It is expected that First Admission will become effective and that dealings will commence at 8.00 a.m. on 23 September 2015. As such, the Listing Rules applicable to closed-ended investment companies which are listed on the premium listing segment of the Official List of the United Kingdom Listing Authority will not apply to the Company.

The Company will be subject to the admission and disclosure standards of the London Stock Exchange while traded on the London Stock Exchange (Specialist Fund Market). In addition, the Directors have resolved that, as a matter of best practice and good corporate governance, the Company will voluntarily comply with the following key provisions of the Listing Rules should First Admission be granted:

- (a) the Company is not required to comply with the Listing Principles or the Premium Listing Principles set out at Chapter 7 of the Listing Rules. Nonetheless, it is the intention of the Company to comply with the Listing Principles and the Premium Listing Principles from First Admission;
- (b) the Company is not required to appoint a listing sponsor under Chapter 8 of the Listing Rules. It has appointed N+1 Singer as financial adviser to guide the Company in understanding and meeting its responsibilities in connection with First Admission and each Subsequent Admission and also for compliance with Chapter 10 of the Listing Rules relating to significant transactions, with which the Company intends to voluntarily comply;
- (c) the Company is not required to comply with the provisions of Chapter 9 of the Listing Rules regarding continuing obligations. The Company intends however to comply with the following provisions of Chapter 9 of the Listing Rules from First Admission: (i) Listing Rule 9.2.7 to Listing Rule 9.2.10 (Compliance with the Model Code); (ii) Listing Rule 9.3 (Continuing obligations: holders); (iii) Listing Rule 9.5 (Transactions); (iv) Listing Rule 9.6.4 to Listing Rule 9.6.21 other than Listing Rule 9.6.19(2) and Listing Rule 9.6.19(3) (Notifications of change of name); (v) Listing Rule 9.7A (Preliminary statement of annual results and statement of dividends); and (vi) Listing Rule 9.8 (Annual financial report);
- (d) the Company is not required to comply with the provisions of Chapter 11 of the Listing Rules regarding related party transactions. Nonetheless, the Company has adopted a related party policy (in relation to which the Company's independent advisers will guide the Company) which shall apply to any transaction which it may enter into with any Director, the Manager, or any of their affiliates which would constitute a "related party transaction" as defined in, and to which would apply, Chapter 11 of the Listing Rules. In accordance with its related party policy, the Company shall not enter into any such related party transaction without first obtaining: (i) the approval of a majority of the Directors; and (ii) a fairness opinion or third-party valuation (as appropriate) in respect of such related party transaction from an appropriately qualified independent adviser. This policy may only be modified with Shareholder approval. It should be noted that the Directors do not consider any investment by the Company in any loans originated through Investee Platforms to be a related party transaction;
- (e) the Company is not required to comply with the provisions of Chapter 12 of the Listing Rules regarding market repurchases by the Company in respect of its shares. Nonetheless, the Company has adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2;
- (f) the Company is not required to comply with the provisions of Chapter 13 of the Listing Rules regarding contents of circulars. The Company intends however to comply with the following provisions of Chapter 13 of the Listing Rules from First Admission: (i) Listing Rule 13.3 (Contents of all circulars); (ii) Listing Rule 13.4 (Class 1 circulars); (iii) Listing Rule 13.5 (Financial information in Class 1 Circulars); (iv) Listing Rule 13.7 (Circulars about purchase of own equity shares); and (v) Listing Rule 13.8 (Other circulars); and
- (g) the Company is not required to comply with the provisions of Chapter 15 of the Listing Rules (Closed-Ended Investment Funds: Premium listing) of the United Kingdom Listing Authority.

Nonetheless, the Company intends to comply with the following provisions of Chapter 15 of the Listing Rules from First Admission: (i) Listing Rule 15.4.2 to Listing Rule 15.4.11 (Continuing obligations); (ii) Listing Rule 15.5 (Transactions); and (iii) Listing Rule 15.6 (Notifications and periodic financial information).

The Company is not required to comply with the Model Code for directors' dealings contained in Chapter 9 of the Listing Rules (the "Model Code"). However, the Company has adopted a voluntary share dealing code for the Directors pursuant to which the Directors will comply with the Model Code. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors.

The Specialist Fund Market is an EU regulated market.

It should be noted that the United Kingdom Listing Authority will not have the authority to monitor the Company's voluntary compliance with the Listing Rules applicable to closed-ended investment companies which are listed on the premium listing segment of the Official List of the United Kingdom Listing Authority nor will it impose sanctions in respect of any failure of such compliance by the Company.

FCA authorised firms conducting designated investment business with retail customers under COB Rules are reminded that securities admitted to trading on the Specialist Fund Market will be securities that may have characteristics such as: (i) variable levels of secondary market liquidity; (ii) sophisticated corporate structures; (iii) highly leveraged structures; and (iv) sophisticated investment propositions with concentrated risks and are therefore intended for institutional, professional and highly knowledgeable investors. The Company and its advisers not subject to the COB Rules are responsible for compliance with equivalent conduct of business or point of sale rules in the jurisdiction in which they are based or in which they are marketing the securities concerned (if applicable).

The Directors' intention in the medium term is to move the Company to the Official List should the Directors consider that such a move would be in the best interests of the Company and Shareholders as a whole. Admission to the Official List of the Company's Ordinary Shares would be subject to an eligibility review by the UKLA at that time.

Expected Timetable

The Issue

Publication of this document	1 September 2015
Latest time and date for receipt of completed application forms from the Intermediaries in respect of the Intermediaries Offer	5.00 p.m. on 17 September 2015
Latest time and date for commitments under the Placing	1.00 p.m. on 16 September 2015
Publication of results of the Placing and the Intermediaries Offer	21 September 2015
First Admission and dealings in Ordinary Shares (including the Consideration Shares) commence	23 September 2015
CREST accounts credited with uncertificated Ordinary Shares	23 September 2015
Where applicable, definitive share certificates despatched by post in the week commencing	28 September 2015

Placing Programme

Placing Programme opens	1 September 2015
Latest date for issuing Ordinary Shares and/or C Shares under the Placing Programme	1.00 p.m. on 31 August 2016

Any changes to the expected timetable set out above will be notified by the Company through a Regulatory Information Service.

All references to times in this document are to London times.

Issue Statistics

Issue Price	£1 per Ordinary Share
Gross Proceeds of the Issue*	£45 million
Estimated net proceeds of the Issue to be received by the Company*	£44.18 million
Expected Net Asset Value per Ordinary Share on First Admission*	£0.98 per Ordinary Share

* includes Initial Portfolio and assumes £4.96 million is raised under the Placing and Intermediaries Offer

Placing Programme Statistics

Maximum number in aggregate of Ordinary Shares and/or C Shares being issued pursuant to the Placing Programme	200 million
Placing Programme Price per Ordinary Share issued under the Placing Programme	Not less than the Net Asset Value (cum income) per Ordinary Share at the time of issue
Placing Programme Price per C Share issued under the Placing Programme	£1.00 per C Share

Dealing Codes

The dealing codes for the Ordinary Shares are as follows:

ISIN	GB00BYMK5S87
SEDOL	BYMK5S8
Ticker	GLAF

The dealing codes for the C Shares are as follows:

ISIN	GB00BYMK5T94
SEDOL	BYMK5T9
Ticker	GLAC

Directors, Manager and Advisers

Directors <i>(all non-executive)</i>	Norman Crighton Richard Hills David Stevenson Nick Brind <i>all of the registered office below</i>
Registered Office	1 Finsbury Circus London EC2M 7SH United Kingdom Telephone: +44 207 329 4422
Financial Adviser, Broker and Placing Agent	Nplus1 Singer Advisory LLP One Bartholomew Lane London EC2N 2AX United Kingdom
Manager and AIFM	GLI Asset Management Limited Sarnia House Le Truchot St Peter Port Guernsey GY1 4NA
Company Secretary	Elysium Fund Management Limited PO Box 650, 1st Floor Royal Chambers St Julian's Avenue St Peter Port Guernsey GY1 3JX
Administrator	Elysium Fund Management Limited PO Box 650, 1st Floor Royal Chambers St Julian's Avenue St Peter Port Guernsey GY1 3JX
Registrar and Receiving Agent	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
Custodian and Principal Bankers	Butterfield Bank (Guernsey) Limited Regency Court Glatigny Esplanade St Peter Port Guernsey GY1 3AP
English Legal Adviser to the Company	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH United Kingdom

Guernsey Legal Adviser to the Company

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English Legal Adviser to the Financial Adviser, Broker and Placing Agent

Wragge Lawrence
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Auditors

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Reporting Accountant

Baker Tilly Corporate Finance LLP
25 Farringdon Street
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Part I

The Company

1. Introduction

The Company is a closed-ended investment company incorporated in England and Wales on 13 July 2015. The Company intends to carry on business as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

2. Investment objective

The Company's investment objective is to provide Shareholders with attractive risk adjusted returns through investment, principally via the Investee Platforms, in a range of SME loan assets, diversified by way of asset class, geography and duration. The Company may invest directly or indirectly into available opportunities, including by making investments in, or acquiring interests held by, third party alternative lending Platforms and other lending related opportunities as identified by the Manager in accordance with the Company's investment policy, set out below.

3. Investment policy

The Company intends to achieve its investment objective by investing in a range of loans originated principally through the Investee Platforms in which GLIF holds strategic equity investments. The Company may also make investments through other third party alternative lending Platforms that present suitable investment opportunities identified by the Manager.

The Company will seek to ensure that diversification of its portfolio is maintained, with the aim of spreading investment risk.

Geography

The Company will seek investments in SME loan assets in a broad range of jurisdictions (although weighted towards the UK) in order to build a global portfolio of loan assets.

Asset classes

The Company will invest in a wide range of SME loan assets, including short-term lending such as invoice and supply chain financing; mid-term lending such as trade or short-term bridge finance; and long-term lending such as the provision of fixed term loans with standard covenants and subject to monthly interest payments.

Duration

The Company will hold a portfolio of loans with broad terms of duration to maturity. However, the Company's loan portfolio will be weighted towards short-term financing to ensure an adequate degree of liquidity. This is intended to provide the Company with both a liquid pool of assets ready for realisation, as well as a reliable stream of longer-term income.

Security

The Company will seek to invest in loan assets with a range of different types of security. Funds invested by the Company will be secured, as and when required, over a range of assets, including property, intellectual property or other specific assets, personal guarantees or via credit insurance. Loans will be unsecured only in the case of short-term, low ticket size lending, where the perceived level of risk in respect of the particular asset is low.

The Company will be indifferent to sector when allocating funds via the Investee Platforms, alternative third party lending Platforms and in respect of any direct loan investments. It will instead adhere to the investment restrictions which apply to the Company's loan portfolio as a whole.

Investment restrictions

The following investment restrictions in respect of the general deployment of the Company's assets have been established by the Company in pursuit of its aim to maintain a diversified investment portfolio and thus mitigate concentration risks:

Geography

Once the proceeds of the Issue are fully invested, the Company will comply with the restrictions set out below on its percentage holdings of loan assets in the UK and the Rest of the World. No more than 70 per cent. of the Company's Gross Assets will be invested in UK loan assets, with at least 30 per cent. of Gross Assets being invested in loan assets from other jurisdictions around the world.

Duration

The Company will invest between 10 per cent. and 40 per cent. of Gross Assets in loan assets where the duration to maturity of the loan asset is less than six months. The Company will invest between 10 per cent. and 40 per cent. of Gross Assets in loan assets where the duration to maturity of the loan asset is between six months and 18 months. The Company will invest between 10 per cent. and 40 per cent. of Gross Assets in loan assets where the duration to maturity is greater than 18 months but less than 36 months. The Company will invest between 10 per cent. and 40 per cent. of Gross Assets in loan assets where the duration to maturity is 36 months or longer.

Security

Once the proceeds of the Issue are fully invested, no more than 50 per cent. of Gross Assets will be held in unsecured loan assets.

Other restrictions

From time to time, the Company may provide loans to the Platforms themselves, to fund the general working capital requirements of the Platforms, rather than for onward deployment in SME loan assets. Further details on the investment process are provided below. At any time, the total of any such working capital loans will be limited to five per cent. of Gross Assets in aggregate (calculated at the time of investment).

To avoid concentration risk, for the Company's top ten investments (measured by Gross Assets), the Company will invest no more than 2.5 per cent. of Gross Assets (calculated at the time of investment) into an individual credit risk. For investments outside of the top ten, the Company will invest no more than one per cent. of Gross Assets (calculated at the time of investment) into an individual credit risk. Where a loan finances a basket of underlying credits, the exposure to any one underlying credit will not be more than 2.5 per cent. of Gross Assets (calculated at the time of investment) for the Company's top ten investments, and not more than one per cent. of Gross Assets (calculated at the time of investment) for investments outside of the Company's top ten investments.

Borrowing

Borrowings may be employed by the Company or any of its investee entities (including any special purpose vehicles that may be established by the Company in connection with obtaining leverage against any of its assets).

The Company may employ borrowings (through bank or other facilities) of up to 150 per cent. of Net Asset Value in aggregate (calculated at the time of draw down under any bank facility that the Company has entered into), which includes, on a look-through basis, borrowings of any investee entity.

Hedging

The Company intends to hedge currency exposure between Sterling and US Dollars and between Sterling and Euros, primarily through the use of leverage drawn down in US Dollars and Euros.

To the extent that the Company's currency exposure is not hedged through its use of leverage, the Company will also have the option, to the extent it is able to do so on terms that the Manager considers to be

commercially acceptable, to seek to arrange suitable hedging contracts, such as currency swap agreements, futures contracts, options and forward currency exchange and other derivative contracts (including, but not limited to, interest rate swaps and credit default swaps) with the sole intention of hedging the Company's currency back to Sterling.

Until the hedging is established, the Company will be exposed to currency fluctuations. However, it is expected that the majority of the Company's initial investments will comprise UK loan assets, mitigating these effects to some degree.

Cash management

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

Changes to the investment policy

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

4. Investment strategy and risk management policy

The Manager's investment strategy and risk management policy can be broadly split into three stages: (i) engagement; (ii) ongoing monitoring; and (iii) risk management.

Engagement

When forming strategic relationships with, and taking equity stakes in Platforms the Manager undertakes a thorough level of due diligence on each platform; focussing on its operations, internal governance and regulatory procedures, processes and documentation. In addition, further due diligence is undertaken by external legal and accounting firms engaged by the Manager and, only once the Manager has satisfied itself that a particular Platform meets the Manager's own internal criteria for adequate operations and compliance, will the Manager engage with, and begin to lend via, such Platform. The GFSC requires the Manager, in respect of its own operations and compliance, to apply a standard of due diligence that is much higher than that which may ordinarily be required by the Platforms. Therefore, in seeking satisfaction that a Platform meets the Manager's own internal criteria, the Manager expects an equally high standard of compliance from the Platforms.

Given the level of due diligence undertaken by the Manager at the time of engagement, it is intended that on a day-to-day basis, within certain parameters, the sourcing, screening and pre-investment operational and compliance due diligence will be principally undertaken at the Platform level, although the Manager may require additional due diligence and has the right to request such additional due diligence be carried out before any decision is taken to invest.

Upon engagement with a particular Platform, the Manager may acquire an equity stake in the Platform (whereupon such Platform would become an Investee Platform) and with that investment the Manager would require that a nominee of the Manager is appointed to the board of the Platform. In addition, a shareholder agreement between the Manager and the Platform is put in place to govern the relationship, which includes within it provisions for certain information rights in favour of the Manager to ensure it can continue to monitor the performance and internal procedures of the Platform on an ongoing basis.

At the Investee Platform level, management teams are expected to cross-check information provided by potential loan candidates against publicly-sourced data available on such a candidate. Furthermore, despite some Investee Platforms employing online application processes, all loan candidates are contacted directly prior to entry into a loan agreement. Beyond a certain loan size set by each individual Platform depending on the size and nature of the loans it offers by reference to several factors such as the loan size and nature of the business, management teams are also expected to interview loan candidates prior to entry into a loan agreement.

Notwithstanding the above, loans of a certain nature which are proposed by any Platform will always be subject to review and approval directly by the Manager. The depth of review undertaken on the loans will depend upon the size, security, term or industry sector of the loan. Further details of the mechanics of the approval process in respect of each Platform are contained in paragraph 5 (*Investment Routes*) of this Part I below. Generally, loans exceeding £100,000 (or any series of loans that in aggregate would amount to more than £100,000, such as supply chain finance transactions) are reviewed by the credit committee of the Manager formally, in addition to the due diligence undertaken by the Platform. The credit committee will review loans under £100,000 only in the event that it is deemed necessary, for whatever reason, by the Manager. Certain loans between £100,000 and £500,000 which the Manager deems to be low-risk may be made without credit committee approval.

The Manager maintains close relationships with the key management at each of its Investee Platforms and is in regular communication in respect of the provision of loans. The Company will put in place agreements directly with loan candidates in order to invest directly in loan assets. However the Company will outsource the management of such loan portfolios to the Manager by way of the Management Agreement.

Ongoing Monitoring

The Manager will undertake regular internal audits on Investee Platform processes as part of its business risk assessments, to ensure that each Investee Platform continues to maintain adequate procedures and that the internal policies continue to be followed to the appropriate standard. The Manager requires the regular provision of financial information from each Platform, much of which is provided by virtue of the Manager's position on the Investee Platform board and/or required to be provided under the relevant shareholder agreement. This information is continuously reviewed and monitored against the Manager's own internal targets and external lending industry statistics. The information is used to maintain the Manager's own internal financial models which are used to monitor and evaluate the loan portfolio.

Most Investee Platforms have proprietary underwriting analysis that adds to standard available credit scoring metrics, to ensure the continued creditworthiness of its portfolio of loan candidates. Furthermore, as undertaken at the time of engagement with loan candidates, wherever possible information provided by companies is cross-checked and verified against a broad range of data sources.

Risk Management

All loans originated by the Platforms and offered to the Company for investment are reviewed by the Manager and are subject to the Manager's approval prior to funding. The review process is designed to enhance the underwriting processes and procedures carried out by the Platforms but not to duplicate work already carried out at Platform level, which is subject to continual assessment by the Manager to ensure written processes and procedures are adhered to.

In order to classify the loans to be made by the Company and assess the required level of due diligence to be performed by the Manager, the Manager will first quantify the size of the loan, or series of loans to which the Company will be exposed. In the case of an individual loan this will be the principal amount to be advanced by the Company, but where there are a series of transactions, such as a supply chain finance arrangement or a series of loans to be acquired from one counterparty, the value of these loans will be aggregated for the purposes of the review process.

For loans assessed to be of a value less than £100,000, the Manager will draw on the information provided by the Platform to assess whether there should be a formal review of the loan by the credit committee of the Manager. However, to a large extent the Manager will rely on the due diligence carried out by the Platform. In most cases, loans of this size will not require a referral to the credit committee, but should aspects of individual loan candidates such as the particular industry segment, the financial track record or principals of the business, merit a more formal review, the Manager will refer the loan to its credit committee.

Loans between £100,000 and £500,000 in value would ordinarily be reviewed by the credit committee of the Manager, unless the Manager deems the loan to be low risk and therefore concludes it is not necessary to review through the credit committee. Loans in excess of £500,000 in value will always be subject to review by the credit committee of the Manager. These approval parameters apply across all types of lending to be

advanced by the Company. Further information is included in the section of this Part I entitled “Approval Processes”.

The Manager will closely monitor the level of defaults on its portfolio of loans on an ongoing basis, both on a Platform level and in aggregate. The Manager will also monitor the aggregate investment returns delivered by each Platform. If the average default rate on loans written by a particular Platform rises above acceptable limits (as determined by the Manager) or if the Manager decides that the internal procedures and policies are not of an acceptable standard, the Manager will halt all new lending. The Platform would only be once again eligible for lending when the average default rate drops below the maximum acceptable rate, as determined by the Manager, and appropriate remedial operational and/or procedural action has been taken. Once the Platform is deemed to have taken appropriate action and default rates have decreased, the Platform is placed in a review period under which all new loans deployed using the Company’s funds are subject to direct review by the Manager. The review period will terminate once the Manager is satisfied that the Platform is operating in line with expectations.

Third party Platforms

The strategic relationships already established by GLIF with the Investee Platforms are intended to form the majority of the Company’s future lending activity. However, the Company may, in accordance with its investment policy and objective as set out in this Part I, make ad-hoc investments in loans via third party alternative finance lending Platforms when suitable lending opportunities are identified by the Manager. Any investments made through third party Platforms will not be subject to the formal arrangements in place between the Manager and the boards of the Investee Platforms. When investing through third party Platforms, the Manager will conduct its own due diligence to ensure that the operation and compliance of such Platforms meets the standards required by the Manager of the Investee Platforms.

5. Investment routes

Alternative finance lending encompasses loan provision through routes other than traditional bank lending. Participation in alternative finance lending by the Company, both through the GLIF Group’s established network of Investee Platforms and through third party alternative finance lending Platforms, can be through one of the following four routes:

(i) *Peer-to-peer lending*

Peer-to-peer, or market place lending, encompasses the provision of capital from a wide range of third party investors, who are offered the opportunity to participate in the funding of loans through an auction or market place. Funding is characterised by a large number of small investors, with no fixed commitment to lending. The credit risk is taken entirely by investors in the loans, with the Platform merely providing a vehicle through which investors can participate in lending. The counterparty for peer-to-peer lending may be the borrower, the Platform itself (issuing a note to investors giving them the economic return from the underlying loan), or a bank (providing lending through the Platform). In the event of a loan default, it is usually the Platform that will lead any collection process, but in the case where investors participate directly in a loan, the investor may choose to take action directly against the borrower.

(ii) *Direct lending*

Direct lending, while similar to peer-to-peer lending, is differentiated by capital provision by an individual or very few institutional investors on terms agreed under a loan purchase agreement. As with peer-to-peer, no credit risk is retained by the Platform. As institutional investors will more typically prefer to acquire a whole loan position, a direct lending Platform is far more likely to sell whole of loan positions than fractional positions. The counterparty to the transaction, just as with a peer-to-peer Platform, will be the borrower, the Platform or a bank. Any collection procedure will be undertaken by the Platform in the first instance, although investors will have the right to take action themselves.

(iii) ***Balance sheet lending***

Balance sheet lending is lending funded by a lender from its own balance sheet, which retains all or part of the risk on its balance sheet. The lender may then finance the remainder of the loan through third party investors, debt or securitisation. The counterparty to the borrower will be the lender itself, although there are a series of loans underlying the transaction. In the event of a default the investor would seek recovery directly from the Platform.

(iv) ***Pooled funding***

The final investment route that the Company may adopt is funding provided by one or a pool of institutional investors on terms agreed under a loan purchase agreement. This route is similar to the peer-to-peer and direct lending models. However, it differs in that the loan is provided by a small pool of investors in a special purpose vehicle. Investors' funds are pooled and ultimately controlled by an investment manager which will invest across a pool of loans, thus the risk for each individual investor is spread across a pool of loans and average returns are paid to investors by way of dividends. The pooled vehicle may apply leverage to its structure to provide the potential to enhance returns. In the event of a default the investment manager will be responsible for recovery of the loan.

In order to facilitate lending through one of the investment routes described above, the Company will establish agreements directly with each of the Platforms, which allow the Company to lend directly to loan candidates via the Platforms. The loan documentation in respect of each loan asset will cite the Company and the loan candidate as parties to the loan purchase agreement, however the Manager will be mandated to execute such agreements on the Company's behalf. Although certain procedures are Platform specific, the approval process for each loan is dependent upon the size and nature of the loan which is described in further detail below.

Approval processes

1. ***Sub-£100,000 Loans***

For loans under £100,000, a portion of the Gross Assets of the Company available for investment will be allocated to the Platform and held on account at Platform level. Loans are approved directly by the Platform and funds are drawn down from the funds held on account at Platform level. The Manager will be notified, at the end of each day, of loans extended by the Platform over the course of that day. As and when these funds become fully invested, the Platform can request further funds to be paid down to the Platform by submitting such a request to the Manager. The Manager will then approve the request (if appropriate) and instruct the Administrator to arrange for further funds to be paid to the Platform. The Manager will receive from the Platform a summary of loans provided throughout that day, at which point it will have the right to decline any such loans for a period of 24 hours. The Manager will continually monitor the performance and internal procedures of the Platform, including the investment criteria of the Platform. The Manager reserves the right to halt lending or decline any loan on the basis that its ongoing review of the Platform has highlighted that its processes are falling short of the standard expected by the Manager.

2. ***'Draw Down' Loans***

Lending opportunities of between £100,000 and £500,000 will be notified to the Manager by the Platform, either via an online portal or via email. The Manager's credit committee will ordinarily review the loan opportunity and, can elect whether to approve the loan (or not, as the case may be) via the online portal or by confirmatory email if the loan opportunity is considered suitable. If approved, the Platform can submit a draw down request to the Administrator, and the Administrator, noting the requisite approvals from the Manager, will ensure sufficient funds are made available. Available funds will either be allocated to the Platform and held on a client's account at Platform level or allocated on an ad-hoc basis. If the Platform deploys all funds held in the client account at Platform level, it can apply to the Manager for further funds, which will then be deposited by the Administrator following instruction from the Manager.

3. *Loans of £500,000 or more and 'non-standard' loans of any size*

All loans of a value of greater than £500,000 and non-standard loans of any size which do not meet standard criteria set by the Manager, will be subject to review and approval by the credit committee of the Manager. Upon approval of such a loan, the Administrator will be instructed to arrange for the relevant funds to be allocated to that particular Platform.

4. *Loans with an equity element*

The Manager does not intend to actively target investment opportunities where equity forms a significant part of the loan asset. However, the Manager will consider loan assets where an equity element is a 'bonus' to the loan asset, for example, where an equity stake would be granted to the Company as a 'kicker' for the provision of a loan and that 'kicker' does not form part of the investment proposition and would not form part of the rate of return calculation.

The loan candidate will be subject to credit checks to be undertaken by the Manager, purely for the purposes of undertaking the appropriate due diligence in respect of the loan and making a decision to approve the loan opportunity. Upon approval of such a loan, the Manager will arrange loan documentation which it will sign on behalf of the Company and, if necessary, arrange for the relevant funds to be allocated to that particular Platform or loan candidate. Equity received as part of the loan will be held by the Company and managed by the Manager.

5. *Direct loans*

In certain circumstances, the Company may lend directly to SMEs. Introductions may be made through Platforms, although in the event that the Company engages directly with the loan candidate, Platforms act solely as an introducer. The Manager is responsible for completing all due diligence and approving each direct loan. The Manager signs the loan agreements, to which the Company and the underlying borrower are parties, on behalf of the Company. The Platform will be responsible for due diligence on the underlying borrower where it introduces and transacts the loan; however, the Manager will be responsible for due diligence in respect of direct loans.

6. *Working capital loans*

From time to time, the Platforms may apply to the Manager for loans to be used for working capital purposes, rather than for onward payment to underlying loan candidates. Any such loans of under £500,000 in value will be subject to the approval processes detailed in process 2 above. For any loans of £500,000 or more, the process set out in sub-paragraph 3 above will apply. Total working capital loans provided to Platforms may not at any time represent more than five per cent. of the Gross Assets in aggregate.

6. Summary of Investee Platforms

Set out below is a summary of the Investee Platforms in which GLIF has acquired an equity interest.

Category	UK (and the Channel Islands)	Europe	US	Rest of the World
Term Lending	BMS Finance FundingKnight ¹ Finpoint UK Proplend ¹ Sancus	MyTripleA ⁵	Raiseworks LiftForward ⁸ The Open Energy Group	
Short Term Receivables Finance	Platform Black	European Receivables Exchange ⁶ Finexkap ⁷	The Credit Junction	Ovamba
Trade Finance	TradeRiver		TradeRiver USA	
Multi-Asset	CrowdShed ¹			
Bonds	UK Bond Network ²			
Neutral Platforms	Finpoint UK ³ Funding Options ⁴			

¹ Required to be regulated under the FCA's consumer credit regime

² Regulated as a securities firm as an appointed representative of Cornhill Capital Limited

³ Seeking to be regulated by the FCA as a neutral finance platform under the Small Business, Enterprise and Employment Act 2015

⁴ Regulated by the FCA as a credit broker; seeking to be regulated by the FCA as a neutral finance platform under the Small Business, Enterprise and Employment Act 2015

⁵ Holds a payment entity licence and is required to apply for approval as a participatory financing platform from Banco de España

⁶ Regulated for payment services and electronic money by the Danish financial services authority, the Finanstilsynet

⁷ Finexkap's subsidiary, Finexkap AM, holds an alternative investment fund manager's licence from the Autorité des marchés financiers (the French Financial Markets Authority)

⁸ Holds a Lender's Licence in the State of California

BMS Finance

GLIF has a 66.67 per cent. equity stake in GLIF BMS Holdings Limited ("GBHL") (as at 30 June 2015). GBHL owns a 100 per cent. interest in the BMS operating subsidiaries that hold the equity and loan positions of BMS Finance, a 100 per cent. interest in Noble Venture II Nominees Ltd and a 95 per cent. interest in NVF Tech Ltd (previously named HiWave UK).

BMS Finance finances high growth SMEs, predominantly in the UK. Typically these businesses have up to £25 million of revenue, but lack a three year track record of profits. The loans are two to three year senior secured amortising loans typically ranging from £500,000 to £4.5 million and in addition to the loan itself, BMS Finance typically obtains a warrant or exit fee. The focus of BMS Finance's portfolio is business services and technology companies.

The funding for the BMS Finance loan portfolio is partly funded by the BMS Finance balance sheet, partly by GLIF and partly through the British Business Bank, under a matched funding agreement.

Total lending as at 30 June 2015 was circa £66 million to around 46 borrowers.

FundingKnight

GLIF has a 24.81 per cent. equity stake in FundingKnight (as at 30 June 2015). GLIF initially invested £1.5 million in July 2013 for a 20 per cent. stake. An additional 4.8 per cent. was purchased in February 2015, as a result of GLIF's participation in a rights issue.

FundingKnight provides SME finance through crowd lending from a broad base of investors. The maximum loan sizes available are £500,000 to £1,000,000 and the maximum term is five years. An in-house team of SME bankers, using both quantitative and qualitative analysis, underwrites the loans.

FundingKnight has three products: a term loan to SMEs of up to five years (smaller loans being unsecured, larger loans secured); a bridging loan (providing bridging finance on commercial property); and loans to fund wind turbines.

For business loans, borrowers are required to be growing companies, demonstrating recent profitability, with a minimum two-year trading record. Property bridging loans are also available to experienced property investors. Renewable energy loans are normally arranged through special purpose vehicles.

Total lending as at 30 June 2015 was circa £18 million across 170 loans.

Finpoint UK

GLIF has a 74 per cent. equity stake in Finpoint UK (as at 30 June 2015). Finpoint UK is a venture between CRX – operator of Finpoint in Germany – and GLIF.

Finpoint UK provides financial institutions with the opportunity to lend directly to SMEs. Finpoint UK's free-to-use online lending platform lets SMEs and intermediaries post their business finance requirements anonymously, helping small companies to obtain finance offers from several lenders through a single application process. As Finpoint does not work with any particular lender, but rather with the whole of the market, it is known as a 'neutral platform'.

Loans typically start from £1,000 and can be up to £100 million or more (upper limit is subject to finance type and connected lenders' own transaction limits).

Proplend

GLIF has a 22.5 per cent. equity stake (as at 30 June 2015) in Proplend.

Proplend is a secured peer-to-peer lender which provides refinance solutions for owners of income-producing commercial property in the sub-£5 million bracket in the UK.

Typical loan sizes are between £100,000 and £5 million.

As at 30 June 2015, total lending was circa £2.9 million across six loans.

Sancus

Sancus is now a wholly-owned subsidiary of GLIF, the 91.6 per cent. of the equity of the business not previously owned having been bought in December 2014. Prior to this, GLIF had a holding of 8.4 per cent. of Sancus' ordinary shares and £4.75 million preference shares.

Sancus' target market consists of entrepreneurs, SMEs, high net worth individuals and professionals. It provides secured lending to asset rich, cash constrained borrowers. It also provides co-lending opportunities to high value clients. The average loan is £2.2 million in size and the average loan to value ratio is 50 per cent. Sancus writes the loans on its balance sheet and brings in co-investors to each loan, to the extent that it is deemed optimal.

As at 30 June 2015, total lending was circa £115 million across 45 transactions.

Platform Black

GLIF initially invested £2.0 million in September 2013 for a 20 per cent. equity stake in Platform Black and GLIF still holds this 20 per cent. equity stake (as at 30 June 2015).

Platform Black is a UK based peer-to-peer invoice trading and supply chain finance business. Its investor base is exclusively sophisticated investors, funds or corporate entities and these investors bid for tranches of invoices from 5 per cent. of the principal upwards through Platform Black's proprietary platform. Borrowers

are typically SMEs. The typical size of a loan/financial package is £42,000 advance amount and £47,000 invoice value.

Platform Black was voted Supply Chain Provider of the Year 2013 and 2014 and has also won Best Payables Supplier Financing Solution 2015.

As at 30 June 2015, the invoice value was £91,815,990 with £81.9 million advance amount across 198 auctions.

TradeRiver

GLIF has a stake of 43.9 per cent. (as at 30 June 2015) in the equity of TradeRiver and it has also provided TradeRiver with debt finance.

TradeRiver is a non-bank online funding platform which finances trade, both cross-border and in the UK. It provides businesses with finance to purchase goods and services through an online platform. The average credit period is approximately 111 days and the average transaction size is approximately £78,000. The average credit limit is £250,000.

Borrowers are typically SMEs with turnover between £5 million to £200 million, with the majority funding imports to the UK. They are typically established companies with cross-border supplier finance and transaction execution requirements.

As at 30 June 2015, there were over 800 transactions with an aggregate volume of over £59 million.

CrowdShed

GLIF has a stake of 32.51 per cent. (as at 30 June 2015) in the equity of CrowdShed.

CrowdShed is an online funding platform enabling UK entrepreneurs, social enterprises, creative and good causes to raise funding for specific projects from donors, in return for rewards. CrowdShed has an orientation to SMEs with the rewards and donation platform providing a space for market validation. It is intended that Crowdshed develops both equity crowd funding and crowd lending products to facilitate growth.

As at 10 August 2015, CrowdShed had funded 34 projects to a total value of £154,826.

UK Bond Network

GLIF has a 15.84 per cent. equity stake (as at 30 June 2015) in UK Bond Network.

UK Bond Network is a peer-to-business platform which gives listed and unlisted businesses the opportunity to create a bespoke financing structure with terms that suit them, in the form of loans or bonds ranging from £0.5 million to £4 million.

As at 30 June 2015, total lending was circa £4,500,000, having completed seven auctions.

MyTripleA

On 31 March 2015 GLIF held a convertible loan note with MyTripleA for €675,000. On 5 May 2015 this was converted to a 9.9 per cent. equity stake.

MyTripleA is the first fully regulated Spanish peer-to-peer lending platform that facilitates the provision of alternative financing transactions between SMEs and lending investors.

European Receivables Exchange

GLIF has a 5 per cent. equity stake (as at 30 June 2015) in European Receivables Exchange.

It is an online invoice discounting business, currently operating principally in Denmark, although in a variety of currencies, but it has the potential to broaden its reach across Europe. It differs from Platform Black not only geographically but also in the fact that there is no fractional bidding and the individual bids for the entire invoices are quoted as a percentage of the invoice face value, rather than the return per month.

Typical size of loan/financial package ranges between 20,000 and 20 million DKK. Borrowers are typically SMEs.

As at 30 June 2015, there were over 1,550 auctions, over 2,290 invoices, of a total aggregate value over 155 million DKK (circa 20.5 million Euros).

Finexkap

On 22 July 2014, GLIF acquired an initial 36.6 per cent. equity stake in Finexkap. This equity stake was reduced to 26.4 per cent. through a planned further issue of shares to other investors in November 2014 (and GLIF still held this stake as at 31 May 2015).

Finexkap is a web-based platform offering a short-term funding solution to working capital financing through an innovative receivables financing mechanism. Finexkap finances the receivables through a securitisation structure, harnessing both demand for senior secured lower risk paper and for higher yielding investments. The service focuses on easy-to-use features.

Minimum amount of receivables is 1,000 Euros with no maximum and average invoices are valued at around 10,000 Euros. Borrowers are typically SMEs and start-ups.

As at 30 June 2015, 582 receivables were purchased, circa 5.8 million Euros in total volume.

Raiseworks

GLIF has a circa 62.5 per cent. equity stake (as at 30 June 2015) in Raiseworks.

Raiseworks provides loans to small businesses in the US. The Platform aims to improve small business access to capital and leverages technology to lower the cost of loan application processing.

The typical size of a loan/financial package is between US\$25,000 and US\$75,000, but can be from US\$1,000 up to US\$1,000,000. A typical borrower would be a small high street business such as a hair salon or auto repair shop, with annual revenues between US\$120,000 and US\$10 million.

As at 30 June 2015, total lending was circa US\$600,000 across five loans.

LiftForward

GLIF has a 20.9 per cent. equity stake (in preferred stock) (as at 30 June 2015) in LiftForward which was acquired in August 2014.

LiftForward operates marketplace loan platforms which provide loans to small businesses and high-yielding debt products to investors. It partners with suppliers, retailers and manufacturers in order to provide financing to their small business customers in the US. Its technology enables organisations to connect customers or members with various forms of capital. Services also include portal development, underwriting, servicing and reporting. The platform and services can be customised to meet the specific needs of each client organisation and the small businesses they serve.

The typical loan range is US\$5,000 to US\$1,000,000. Borrowers are typically small businesses with 5 years of operating history and over US\$2 million in revenues.

As at 30 June 2015, total lending was circa US\$8 million across 339 loans.

The Open Energy Group

GLIF has a 21.6 per cent. equity stake (as at 30 June 2015) in The Open Energy Group following its investment in March 2015.

The Open Energy Group is a financing platform for US commercial and small utility-scale solar projects. It provides financing solutions to support the growth of commercial and utility-scale solar infrastructure, using a market place to direct investment from institutional and accredited investors to borrowers based on a foundation of technology-driven underwriting processes.

The typical loan range is between US\$500,000 to US\$10 million and the terms range from five to 20 years. Borrowers are typically US solar developers and project operators.

As at 30 June 2015, total lending was circa US\$1.9 million across four loans.

The Credit Junction

GLIF invested US\$1.5 million in The Credit Junction in September 2014 for a 23.1 per cent. equity stake (which remained unchanged as at 30 June 2015).

The Credit Junction is an online market place lending platform focused on providing working capital and supply chain financing solutions to industrial and manufacturing SMEs. It focuses on SMEs seeking loans of US\$200,000 to US\$2 million within the aerospace and defence, oil and gas, automotive, power, transportation, agricultural services, construction and manufacturing sectors.

As at 30 June 2015, total lending was circa US\$3.9 million across six loans.

TradeRiver USA

GLIF has a 30.25 per cent. equity stake (as at 30 June 2015) in TradeRiver USA Inc. following investment in January 2015.

TradeRiver USA is a non-bank online funding solution, which finances trade, both cross-border and in the US. It utilises the same software solution as TradeRiver Finance Limited.

The average transaction size is US\$50,000 with a US\$100,000 line of credit. Borrowers are typically SMEs in growth phase with sales between US\$5 million and US\$50 million annually.

As at 30 June 2015, there were approximately 44 transactions for a total turnover amount of over US\$1.5 million.

Ovamba

GLIF has a 20.48 per cent. equity stake (as at 30 June 2015) in Ovamba.

Ovamba is the first peer-to-peer business lending platform in francophone Africa and is also one of the first market lending platforms to offer investment opportunities to individuals and institutions in sub-Saharan Africa. Although initially established and operating in Cameroon, Ovamba expects to roll out its offering across the continent over time. It was established to address two issues: solve the problem of restricted access to affordable credit for the SME sector in Africa; and connect institutional investors and the diaspora to their home countries by offering safe, viable investment opportunities with good returns.

Loans are typically between 4,500 Euros and 43,000 Euros. Borrowers are typically qualified African SMEs requiring capital to fund inventory and raw material purchases, in addition to import/export transactions.

As at 30 June 2015, total lending was circa 1.7 million Euros across 41 loans.

Funding Options

In May 2015, GLIF invested £1.25 million in return for a 28.9 per cent. equity stake in Funding Options Ltd (“**Funding Options**”), a so-called ‘neutral platform’ (categorised as such as the platform does not have prerequisites (in terms of size, nature of business, loan size etc.) in respect of the loan candidates it considers for investment) and invested £0.75 million in the preference shares of Funding Options.

Funding Options uses online technology to scan the alternative finance market for the most suitable funding options available for SMEs to ensure that SMEs can access funding and alternative finance providers can access the borrowers they seek.

7. Initial Portfolio and pipeline of proposed investments

(A) Initial Portfolio

The Company has identified certain existing loans provided and funded by GLIF via the portfolio of Investee Platforms, which are proposed to comprise the majority of the Initial Portfolio, to be acquired by the Company conditional upon First Admission. In addition, the Company may also make investments via third party Platforms. The Initial Portfolio will comprise a pool of loans which have been provided under existing loan facilities provided by GLIF to the Investee Platforms or which are available for immediate investment by the Company. The Initial Portfolio will be valued at approximately £39.94 million and will represent no more than 90 per cent. of the Gross Proceeds upon First Admission subject to the minimum Gross Proceeds being raised pursuant to the Placing and Intermediaries Offer.

The Initial Portfolio comprises 55 separate loans, predominantly provided to UK loan candidates, ranging in value between £35,000 and £9.53 million. For the most part, the loans comprising the Initial Portfolio have been provided under existing loan facilities provided by GLIF to the Investee Platforms. The remaining loans comprising the Initial Portfolio have been provided by GLIF to other third party Platforms or have been identified as being available for immediate investment by the Company.

Share Purchase Agreement

The loans comprising the Initial Portfolio have been transferred by GLIF to GLI Alternative Finance Guernsey Limited (the “**Initial Portfolio Investor**”), a wholly owned subsidiary of GLIF. The Company has entered into the Share Purchase Agreement with GLIF, pursuant to which it has agreed to acquire the entire issued share capital of the Initial Portfolio Investor from GLIF. Under the Share Purchase Agreement, the Company will acquire the issued shares in the Initial Portfolio Investor at net asset value as at the date falling two days prior to First Admission (the “**Valuation Date**”) and valued in accordance with the methodology described below, in consideration for the Company issuing to GLIF the Consideration Shares.

The Share Purchase Agreement is conditional upon First Admission.

The Initial Portfolio comprises the following loans:

Name	Term	Currency	Total Facility	Interest Rate	Drawn Down CCY	FX rate	Drawn Down GBP	Accrued Interest Loan Currency	Accrued Interest GBP	FX adjusted value GBP
Crowdshed (Loan secured by warranties)	3 years	GBP	£140,000.00	10.00%	£140,000.00	1.00	£140,000	£6,443.84	£6,443.84	£146,443.84
							£140,000		£6,443.84	£146,443.84
FundingKnight Platform loans	2-4 years	GBP	Continuing	11.00%	£9,530,374.06	1.00	£9,530,374	£36,750.25	£36,750.25	£9,567,124.31
FundingKnight Platform loans				10.00%	£5,011,011.30		£5,011,011	£24,714.72	£24,714.72	£5,035,726.02
							£14,541,385		£61,464.97	£14,602,850.33
Liftforward – Loan	3 years	USD	\$2,000,000.00	10.80%	\$1,000,000.00	1.5602	£640,943	\$19,738.79	£12,651.45	£528,235.43
Liftforward – Loan	3 years	USD	\$2,000,000.00	10.80%	\$1,000,000.00	1.5602	£640,943			£576,849.12
Liftforward – Loan	3 years	USD	\$2,000,000.00	10.80%	\$2,000,000.00	1.5602	£1,281,887		£0.00	£1,153,698.25
							£2,563,774		£12,651.45	£2,318,782.80
Ovamba – Loan	1 year	EUR	€3,000,000.00	8.10%	€ 400,000.00	1.4271	£280,289	€37,454.79	£26,245.39	£275,880.67
	1 year	EUR	€3,000,000.00	8.10%	€ 800,000.00	1.4271	£560,577			£504,519.65
	1 year	EUR	€3,000,000.00	8.10%	€ 850,000.00	1.4271	£595,613			£536,052.13
							£1,436,480		£26,245.39	£1,316,452.46
Platform Black Platform loans	Multiple	GBP	£810,556.99	12.00%	£810,556.99	1.00	£810,557		£2,289.50	£812,846.49
Platform Black Platform		GBP	£481,846	0.00%	£481,846.00		£465,571			£465,571.35
							£1,276,128		£2,289.50	£1,278,417.84

<i>Name</i>	<i>Term</i>	<i>Currency</i>	<i>Total Facility</i>	<i>Interest Rate</i>	<i>Drawn Down CCY</i>	<i>FX rate</i>	<i>Drawn Down GBP</i>	<i>Accrued Interest Loan Currency</i>	<i>Accrued Interest GBP</i>	<i>FX adjusted value GBP</i>
Proplend – Loan on Platform (Portland)	3 years	GBP	£5,000,000.00	6.00%	£48,000.00	1.00	£248,000		£620.00	£248,620.00
Proplend – Loan on Platform (Yorkshire Residential Terrrace)	3 years	GBP		5.75%	£470,000.00	1.00	£470,000		£600.55	£470,600.55
Proplend – Loan on Platform (Yorkshire Residential Terrace)	3 years	GBP		7.00%	£55,000.00	1.00	£55,000		£85.56	£55,085.56
Proplend – Loan on Platform (Lion Yard)	2 years	GBP		6.00%	£58,398.00	1.00	£558,398		£558.40	£558,956.40
Proplend – Loan on Platform (Lion Yard)	2 years	GBP		8.00%	£35,600.00	1.00	£35,600		£47.47	£35,647.47
Proplend – Loan on Platform (Physiotherapy Clinic, South Shields)	2 years	GBP		6.25%	£35,000.00	1.00	£35,000		£18.23	£35,018.23
Proplend – Loan on Platform (Bexleyheath & Erith)	2 years	GBP		7.75%	£627,499.00	1.00	£627,499		£945.63	£628,444.63
Proplend – Loan on Platform (Bexleyheath & Erith)	2 years	GBP		9.75%	£171,072.72		£171,073			£171,072.72
Proplend – Loan on Platform (Bexleyheath & Erith)	2 years	GBP		11.00%	£104,749.00		£104,749		£224.04	£104,973.04
							£1,350,000		£500.00	£1,350,500.00
							£3,655,319		£3,599.88	£3,658,918.60
Sancus (Loan to Sancus – Investin Quay House Ltd)	12mths	GBP	£1,000,000.00	10.50%	£1,000,000.00	1.00	£1,000,000		£12,226.03	£1,012,226.03
Sancus (Loan to Sancus – DW Tstees)	18mths	GBP	£2,000,000.00	8.00%	£2,000,000.00	1.00	£2,000,000			£2,000,000.00
Loan A	Various	GBP	£172,000.00		£172,000.00		£172,000			£172,000.00
Loan B	Various	GBP	£225,000.00		£225,000.00		£225,000			£225,000.00
Loan C	Various	GBP	£225,000.00		£225,000.00		£225,000			£225,000.00
Loan D	Various	GBP	£900,000.00		£900,000.00		£900,000			£900,000.00
Loan E	Various	GBP	£540,000.00		£540,000.00		£540,000			£540,000.00
Loan F	Various	GBP	£559,443.00		£559,443.00		£559,443			£559,443.00
Loan G	Various	GBP	£247,500.00		£247,500.00		£247,500			£247,500.00
Loan H	Various	GBP	£675,000.00		£675,000.00		£675,000			£675,000.00
Loan I	Various	GBP	£1,000,000.00		£1,000,000.00		£1,000,000			£1,000,000.00
Loan J	Various	GBP	£450,000.00		£450,000.00		£450,000			£450,000.00
Loan K	Various	GBP	£225,000.00		£225,000.00		£225,000			£225,000.00
Loan L	Various	GBP	£1,000,000.00		£1,000,000.00		£1,000,000			£1,000,000.00
Loan M	Various	GBP	£450,000.00		£450,000.00		£450,000			£450,000.00
Loan N	Various	GBP	£45,000.00		£45,000.00		£45,000		£25,055.97	£72,114.87
							£9,713,943		£39,340.90	£9,751,225
The Credit Junction – Re Satcom	24 mths	USD		12.00%	\$750,000.00	1.5602	£480,708	\$42,750.00	£27,400.33	£457,297.13
							£480,708		£27,400.33	£457,297.13
Legion Trade Finance Limited 3 – Phase 1	3 years	GBP	£4,500,000.00	10.00%	£1,000,000.00	1.00	£1,000,000			£1,000,000.00
Legion Trade Finance Limited 3 – Phase 1	3 years	GBP		10.00%	£100,000.00	1.00	£100,000			£100,000.00
Legion Trade Finance Limited 3 – Phase 1	3 years	GBP		10.00%	£100,000.00	1.00	£100,000			£100,000.00
Legion Trade Finance Limited 3 – Phase 1	3 years	GBP		10.00%	£150,000.00	1.00	£150,000			£150,000.00
Legion Trade Finance Limited 3 – Phase 1	3 years	GBP		10.00%	£100,000.00	1.00	£100,000			£100,000.00
Legion Trade Finance Limited 3 – Phase 1	3 years	GBP		10.00%	£1,000,000.00	1.00	£1,000,000			£1,000,000.00
Legion Trade Finance Limited 3 – Phase 1	3 years	GBP		10.00%	£975,000.00	1.00	£975,000			£975,000.00
Legion Trade Finance Limited 3 – Phase 1	3 years	GBP		10.00%	£150,000.00	1.00	£150,000			£150,000.00
Legion Trade Finance Limited 3 – Phase 1	3 years	GBP		10.00%	£100,000.00		£100,000			£100,000.00
Legion Trade Finance Limited 3 – Phase 1	3 years	GBP		10.00%	£300,000.00		£300,000			£300,000.00
Legion Trade Finance Limited 3 – Phase 1	3 years	GBP		10.00%	£450,000.00		£450,000			£450,000.00
Legion Trade Finance Limited 3 – Phase 2	3 years	GBP		10.00%	£75,000.00		£75,000			£75,000.00
Legion Trade Finance Limited 3 – Phase 1	3 years	GBP		15.00%	£85,000.00		£85,000			£85,000.00
Legion Trade Finance Limited 3 – Phase 1	3 years	GBP		15.00%	£285,000.00		£285,000			£285,000.00
							£4,870,000		£231,596.00	£5,101,596.00

<i>Name</i>	<i>Term</i>	<i>Currency</i>	<i>Total Facility</i>	<i>Interest Rate</i>	<i>Drawn Down CCY</i>	<i>FX rate</i>	<i>Drawn Down GBP</i>	<i>Accrued Interest Loan Currency</i>	<i>Accrued Interest GBP</i>	<i>FX adjusted value GBP</i>
MyTriple A	12 – 18mths	EUR	€ 500,000.00	6.50%	€ 114,000.00	1.4271	£79,882			£71,894.05
							£79,882			£71,894.05
Lombardia Capital Partners Inc – convertible loan note	7 years	USD	\$2,500,000.00	4.07% Interest payable at LIBOR + 4.25%pa	\$1,239,529.00	1.5602	£794,468	\$4,723	£3,027.02	£717,745.53
							£794,468			£717,745.53
UK Bond Network	2 years	GBP	£350,000.00	10.00%	£350,000.00	1.00	£350,000			£350,000.00
	3 years	GBP	£150,000.00	10.00%	£150,000.00	1.00	£150,000		£16,747.00	£166,747.00
							£500,000		£16,747.00	£516,747.00
										£39,938,399.04

As the net asset value of the Initial Portfolio Investor may change between the date of this document and the Valuation Date it is not possible to know the exact value of the consideration to be paid for the shares of the Initial Portfolio Investor.

Current valuation of the Initial Portfolio

The Initial Portfolio, as currently constituted, is valued at fair value less directly attributable transaction costs. “Fair value” is the price that would be received to sell the Initial Portfolio between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

In respect of those loans denominated in US Dollars or Euros, a 10 per cent. discount rate has been applied to both the equivalent drawn down Sterling value and the interest rate, to give a derisked adjusted value and interest rate.

Based on this valuation methodology and the composition of the Initial Portfolio as at the Latest Practicable Date, GLIF has valued the Initial Portfolio and the net asset value of the Initial Portfolio Investor as £39.94 million.

(B) *Future strategic partnerships*

The Manager is in ongoing discussions with a number of Platforms that may lead to further strategic partnerships being entered into in the future (thereby increasing the number of Investee Platforms). Any new strategic relationships would be formed in the same way as described in the “*Engagement*” section of this Part I. Such further strategic partnerships will only be considered provided that the Platform has been in operation for at least one year. No investments will be made via such a Platform until this is the case. However, the Manager has indicated that the strategic partnerships thus far entered into with the Investee Platforms represent the majority of the future lending activity.

8. Dividend policy

The Company intends to distribute at least 85 per cent. of its distributable income earned in each financial year by way of dividends. The Company will target a net dividend yield of 8.0 per cent. per annum of the Issue Price per Ordinary Share as at First Admission. The Company intends to pay monthly dividends to Shareholders each financial year, with the first dividend expected to be paid in November 2015.

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

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

9. Share rating management

The Board considers that it would be undesirable for the market price of the Ordinary Shares to diverge significantly from their Net Asset Value. Therefore the Board has the discretion to seek to manage, on an on-going basis, the premium or discount at which the Ordinary Shares may trade to their Net Asset Value through further issues and buy-backs, as appropriate.

Premium management

Once the proceeds of the Issue have been fully invested, the Company intends to implement the Placing Programme. The Directors have authority to issue up to 200 million Ordinary Shares and/or C Shares in aggregate immediately following First Admission until the first annual general meeting of the Company. Shareholders' pre-emption rights over this unissued share capital have been disapplied so that the Directors will not be obliged to offer any new Ordinary Shares and/or C Shares to Shareholders on a *pro rata* basis. No Ordinary Shares will be issued at a price less than the (cum income) Net Asset Value per existing Ordinary Share at the time of their issue. The costs and expenses of any issue of C Shares under the Placing Programme will be paid out of Gross Proceeds and will be borne by holders of C Shares only.

Further details of the Placing Programme are set out in Part VI of this document.

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

Treasury shares

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

Discount management

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

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

A renewal of the authority to make market purchases will be sought from Shareholders at each annual general meeting of the Company. Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board. Any purchase of Ordinary Shares would be made only out of the available cash resources of the Company. Ordinary Shares purchased by the Company may be held in treasury or cancelled.

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

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

Redemption facility

The Company has a redemption facility through which, subject to the Directors deciding to operate this facility, Shareholders will be entitled to request the redemption of all or part of their holding of Ordinary Shares on a six monthly basis. The first Redemption Point for the Ordinary Shares will be 5.00 p.m. on 31 March 2017.

Shareholders making valid elections for the redemption of Ordinary Shares will have their Ordinary Shares redeemed or sold under the matched bargain facility at the same Redemption Price, which shall be calculated in the manner set out in paragraph 7 of Part IV of this document.

Details of the UK tax treatment of redemptions and share buy-backs can be found in Part VIII of this document. In particular, individuals and certain trustees who are liable to UK income tax should note that a redemption of Ordinary Shares could result in higher tax charges than would arise if the Ordinary Shares were sold in the market to a third party.

Shareholders wishing to redeem all or any of their Ordinary Shares should follow the procedures outlined in Part IV of this document.

Shareholders holding Ordinary Shares in uncertificated form making valid elections to redeem their Ordinary Shares will be required to submit a Redemption Request and transfer their Ordinary Shares being redeemed to escrow in CREST by no later than 1.00 p.m. on the day falling 12 Business Days before the relevant Redemption Point. Following this transfer it will not, therefore, be possible to trade those Ordinary Shares, which will be held in escrow pending completion of the relevant redemption and the subsequent cancellation or onward sale of those Ordinary Shares.

Shareholders holding Ordinary Shares in certificated form making valid elections to redeem their Ordinary Shares will be required to deliver their share certificates to the Company's receiving agent with the relevant Redemption Request within the same period as described above (being by no later than 12 Business Days before the relevant Redemption Point). Following receipt of the Redemption Request and a valid share certificate, those Ordinary Shares being the subject of the Redemption Request will be dematerialised and held in escrow in CREST. It will not, therefore, be possible to transfer those Ordinary Shares pending completion of the relevant redemption and the subsequent cancellation or onward sale of such Ordinary Shares.

The Company may, prior to a Redemption Point, in its sole discretion, invite investors to purchase those Ordinary Shares which are the subject of Redemption Requests. The price at which such transfers will be made will be the Redemption Price which the Shareholder requesting redemption would have received had the Company redeemed and cancelled such Ordinary Shares. The Redemption Price will be a 0.5 per cent. discount to the NAV per Ordinary Share applicable on the relevant Redemption Point.

Investors should note that the Directors have absolute discretion to operate the bi-annual redemption facility at any given Redemption Point and to accept or decline in whole or in part any Redemption Request. Whilst the Board does not generally expect to exercise this discretion, save in the interests of Shareholders as a whole, no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of Ordinary Shares that may be redeemed. Examples of circumstances where this might be the case are described in paragraph 2 of Part IV of this document.

10. C Shares

As indicated in paragraph 9 of this Part I, if there is sufficient demand from potential investors at any time following First Admission, the Company may seek to raise further funds through the issue of C Shares under the Placing Programme, further details of which are set out in Part VI of this document. The issue of C Shares is designed to overcome the potential disadvantages for both existing and new investors, which could arise out of a conventional fixed price issue of further Ordinary Shares for cash. In particular:

- the C Shares would not convert into Ordinary Shares until at least 90 per cent. of the net proceeds of the C Share issue (or such other percentage as the Directors and Manager shall agree) have been invested in accordance with the Company's investment policy (or, if earlier, six months after the date of their issue);
- the assets representing the net proceeds of a C Share issue would be accounted for and managed as a distinct pool of assets until their conversion date. By accounting for the net proceeds of a C Share issue separately, Shareholders will not participate in a portfolio containing a substantial amount of uninvested cash before the conversion date;
- the basis on which the C Shares would convert into Ordinary Shares is such that the number of Ordinary Shares to which holders of C Shares would become entitled will reflect the relative net asset values per share of the assets attributable to the C Shares and the Ordinary Shares. As a result, the Net Asset Value per Ordinary Share can be expected to be unchanged by the issue and conversion of any C Shares; and
- the Net Asset Value of the Ordinary Shares would not be diluted by the expenses of the C Share issue, which would be borne by the C Share pool.

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

The Directors have authority to issue up to 200 million C Shares until the first annual general meeting of the Company.

11. Profile of a typical investor

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

12. Life of the Company

The Company has been incorporated with an unlimited life. However, in the event that the Ordinary Shares have been trading at a discount to NAV of greater than 10 per cent. for three consecutive months (calculated on a rolling three monthly average of daily numbers), the Company shall convene, within 30 days of the above having occurred, a general meeting to propose to Shareholders the Continuation Resolution. If the Continuation Resolution is not passed, the Board will draw up proposals for the winding-up or reconstruction of the Company for submission to Shareholders as a special resolution at a further general meeting to be convened by the Board for a date not more than 90 days after the date of general meeting at which the Continuation Resolution was not passed. If the Continuation Resolution is passed the Directors shall not be obliged to convene any further general meeting pursuant to these provisions for at least 12 months from the date on which a Continuation Resolution is passed.

13. Net Asset Value

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

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

In the event of a default in a loan the value will be written down to the lesser of the Manager's or the Platform's expectations of recovery, unless the Board deem a further reduction in value necessary.

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

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

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

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

14. Meetings, reports and accounts

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

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

15. Major Shareholder

As a result of the Company issuing the Consideration Shares to GLIF under the terms of the Share Purchase Agreement GLIF will be the "**Major Shareholder**" of the Company and will hold 88.97 per cent. of the Ordinary Shares immediately following First Admission. The Consideration Shares will, with effect from First Admission, be subject to a charge in favour of Sancus, acting as security agent, in connection with a loan from Sancus and others as lenders to the Major Shareholders as borrower.

The Company has entered into the Relationship Agreement with the Major Shareholder which governs the relationship between the Company and the Major Shareholder to ensure that the Company is able to carry on its business independently. A summary of the terms of the Relationship Agreement is set out at paragraph 7.5 of Part X of this document.

16. The Takeover Code

The Takeover Code applies to the Company.

Given the existence of the redemption opportunities and buyback powers as set out above, there are certain considerations that Shareholders should be aware of with regard to the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires an interest in shares which, taken together with shares in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of the company which is subject to the Takeover Code, are required to make a general offer to all the remaining shareholders. Similarly, when any person or persons acting in concert is interested in shares which carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of such company, a general offer will be required if that person or any person acting in concert with him acquires an interest in any other shares which increases a percentage of shares carrying voting rights in which he is interested.

Under Rule 37 of the Takeover Code when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code. Under Note 1 on Rule 37.1 a Shareholder who is neither a Director nor acting in concert with a Director will not normally incur an obligation to make an offer under Rule 9 of the Takeover Code in these circumstances.

However, under note 2 to Rule 37.1 where a shareholder has acquired an interest in shares at a time when he had reason to believe that a purchase by the company of its own voting shares would take place, then an obligation to make a mandatory bid under Rule 9 of the Takeover Code may be imposed.

Immediately following First Admission, the Major Shareholder will hold not less than 30 per cent. of the Ordinary Shares in the Company. The proposed redemption facility or buyback provisions available to the Company, put in place to manage the discount to NAV to which the Shares may trade, may result in an increase in the percentage of voting rights carried by Shareholders. Any such redemption or buyback of Shares which results in an increase in the percentage of the voting shares held by the Major Shareholder may need to be approved by a vote of independent Shareholders to avoid the Major Shareholder being required to make a mandatory offer for the Company pursuant to Rule 37 of the Takeover Code. Prior to the Board implementing any share redemption or buyback or when considering any Redemption Requests the Board will identify any Shareholders who they are aware may be deemed to be acting in concert under note 1 of Rule 37 of the Takeover Code and will seek an appropriate waiver in accordance with Rule 37. However, neither the Company, nor any of the Directors, nor the Manager will incur any liability to any Shareholder(s) if they fail to identify the possibility of a mandatory offer arising or, if having identified such a possibility, they fail to notify the relevant Shareholder(s) or if the relevant Shareholder(s) fail(s) to take appropriate action.

Prospective investors in the Company should, therefore, be aware that, immediately following First Admission, the Major Shareholder will hold not less than 30 per cent. of the Company's voting share capital and may, accordingly, be able to increase its aggregate shareholding in the Company without incurring any obligation under the Takeover Code to make a general offer.

Following a takeover offer for a company, the bidder (under section 979 of the Act) has the right to acquire the minority shareholdings on a compulsory basis if it has acquired or unconditionally contracted to acquire at least 90 per cent. in value of the shares to which the takeover offer relates and at least 90 per cent. of the voting rights carried by the shares to which the offer relates. For this squeeze-out right to apply, the offer must be made on the same terms to all target shareholders. Compulsory acquisition notices must be sent to the minority shareholders. Shareholders may object to this process and may, within one month of receiving the acquisition notice from the bidder, apply to the court to have that notice cancelled. The court may cancel the notice or make such order as it thinks fit.

In this paragraph 16, “persons acting in concert” comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control or a company or to frustrate the successful outcome of an offer for the company. Certain categories of people are deemed under the Takeover Code to be acting in concert with each other unless the contrary is established, including a company and its parent.

Further information on how the Takeover Code applies to the Company is set out in paragraph 4 of Part X of this document.

17. Taxation

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

18. NMPI

On 1 January 2014 the Unregulated Collective Investment Schemes and Close Securities Instrument came into force in the UK (the “**NMPI Regulations**”). As the Company is an investment trust but resident in the United Kingdom, its Shares are automatically considered to be “excluded securities” under the NMPI Regulations.

19. Risk factors

The Company’s business is dependent on many factors and potential investors should read the whole of this document and in particular the section entitled “Risk Factors” on pages 20 to 30.

Part II

Market Overview

The alternative finance (“**AltFi**”) market brings together providers of capital with borrowers, outside of the traditional banking system. The AltFi market in the US and continental Europe is well-established and is growing rapidly in the UK, covering a variety of new financing models that have emerged which connect fundraisers directly with providers of funding, often via online platforms or websites.

This period of rapid growth has been driven primarily by the impact of the financial crisis on the banking system and the resultant drop in the availability of capital from these traditional routes, particularly for SMEs. Traditionally, SMEs have heavily relied upon banks to meet their funding needs – the vast majority of businesses seeking funding from the UK’s five largest banks – with the lack of alternative funding options proving a hindrance for such businesses.

As the banks became more risk averse and lending restrictions tightened, it became more difficult for SMEs to qualify for traditional loans, or such capital was only made available on more expensive or onerous terms. The increasing popularity of AltFi has also been driven by factors such as the rise of disruptive technology and underlying socio-economic and cultural shifts. In 2013, the National Association of Commercial Finance Brokers reported that non-bank lending to small businesses had hit a five-year high as more enterprises turned to alternative sources of credit. Although economic conditions have improved, it is predicted that bank credit may not return to pre-crisis levels, nor to a level to support sustainable economic growth, particularly in the SME space.

The AltFi umbrella covers a range of different financing models, ranging from individuals lending money to other people or businesses, to those donating to community projects and businesses trading their invoices.

Peer-to-peer (P2P) business lending

Debt-based transactions between individuals and existing businesses which are mostly SMEs with many individual lenders contributing to any one loan.

Donation-based crowdfunding

Individuals donate small amounts to meet the larger funding aim of a specific charitable project while receiving no financial or material return in exchange.

Invoice trading

Firms sell their invoices at a discount to one or more individual or institutional investors in order to receive funds immediately rather than waiting for invoices to be paid.

Peer-to-peer (P2P) consumer lending

Individuals using an online platform to borrow from a number of individual lenders each lending a small amount; most are unsecured personal loans.

Community shares

The term ‘community shares’ refers to withdrawable share capital; a form of share capital unique to co-operative and community benefit society legislation. This type of share capital can only be issued by co-operative societies, community benefit societies and charitable community benefit societies.

Equity-based crowdfunding

Predominantly used by early-stage firms, equity-based crowdfunding involves the sale of a stake in a business to a number of investors in return for investment.

Reward-based crowdfunding

Individuals donate towards a specific project with the expectation of receiving a tangible (but non-financial) reward or product at a later date in exchange for their contribution.

Pension-led funding

Mainly allows SME owners/directors to use their accumulated pension funds in order to invest in their own businesses. Intellectual properties are often used as collateral.

Debt-based securities

Similar in structure to purchasing a bond, but with different rights and obligations; lenders receive a non-collateralised debt obligation typically paid back over an extended period of time.

The European online AltFi market is strong. Between 2012 and 2014, 255 platforms in 27 European countries facilitated €4,655m worth of funding to European consumers, entrepreneurs, creative artists, SMEs, social enterprises, renewable energy projects, community organisations and good causes. The European AltFi market as a whole grew by 144 per cent. from 2013 (€1,211 million) to 2014 (€2,957 million). The UK dominates the European market, representing 74.3 per cent. on average over the three years to 2014, with a total volume of loans in 2014 of £1.78 billion, and has some of the most advanced online platforms and sophisticated alternative finance instruments.

The increasing variety and diversification of alternative finance sources has multiple benefits for the market itself, giving businesses greater choice, promoting competition and potentially reducing cost, while creating a more resilient financial system.

The growth of the AltFi has led to a need to ensure the market is properly regulated and from April 2014, peer-to-peer lending has been regulated by the FCA. Before this change, the marketplace was presided over by the Office of Fair Trading, although most platforms did enforce rules and specific standards (albeit voluntarily). The change in the regulatory status ensures that the market continues to grow, but in a controlled way and ensures continued confidence in the standards to which market participants must uphold.

Part III

Directors and Management

1. Directors

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

All of the Directors are non-executive and are independent of the Manager. The Directors will meet at least four times per annum, and the audit and valuation committee will meet at least twice per annum.

The Directors are as follows:

Norman Crighton (*aged 49*) (*Chairman*)

Norman is the Chairman of Weiss Korea Opportunity Fund and a non-executive director of Private Equity Investor plc and Global Fixed Income Realisation Limited. Norman was, until May 2011, an investment manager at Metage Capital Limited where he was responsible for the management of a portfolio of closed-ended funds and has more than 22 years' experience in closed-ended funds having worked at Olliff and Partners, LCF Edmond de Rothschild, Merrill Lynch, Jefferies International Limited and latterly Metage Capital Limited. His experience covers analysis and research as well as sales and corporate finance.

Richard Hills (*aged 60*)

Richard has substantial investment experience, having held senior positions at major fund management houses and a number of non-executive directorships at investment companies, both public and private, covering all the major asset classes with significant experience within the natural resources sector including shale gas, forestry and potash. Richard has also built and successfully sold his own investment management company and has been involved in a number of start-up situations including FairFX, the innovative prepaid currency card provider. He chairs the Aztec Group Ltd, which is one of the largest Channel Islands private equity fund administrators. He is currently Chairman of Strategic Equity Capital plc and Henderson Global Trust plc and a director of JP Morgan Income & Capital Trust plc.

David Stevenson (*aged 49*)

David is a financial journalist and commentator for a number of leading publications including The Financial Times (the Adventurous Investor), Investment Week (The Contrarian), Money Week and the Investors Chronicle. He is also executive director of the world's leading alternative finance news and events services www.altfi.com, which focusses on covering major trends in marketplace lending, crowd funding and working capital provision for small to medium sized enterprises. David is also the author of a number of books on investment including the bestselling book on ETFs and their use within portfolios in Europe for the Financial Times. Before founding www.altfi.com, David was a director at successful corporate communications business The Rocket Science Group and before that a senior producer in business and science in BBC TV.

Nick Brind (*aged 43*)

Nick is a Partner of Polar Capital LLP and has over 21 years' investment experience focussing, more recently, on the equity and debt securities of financial services companies globally but also across many other asset classes. Previously he worked for HIM Capital, which was acquired by Polar Capital in 2010, New Star Asset Management, Exeter Asset Management and Capel-Cure Myers. He has invested extensively in the investment trust sector over that period having previously managed funds that invested significantly in the sector. Nick has a Masters in Finance from London Business School.

2. Manager

The Company has appointed GLI Asset Management Limited as the Manager of the Company, pursuant to the Management Agreement (further details of which are set out in paragraph 7.3 of Part X of this document). Under the terms of the Management Agreement the Manager has been given responsibility for the discretionary management of the Company's assets in accordance with the Company's investment policy (further details of which is set out in paragraph 3 of Part I above), subject to the control and supervision of the Directors. The Manager will also act as the Company's AIFM for the purposes of the AIFMD.

The Manager is a non-cellular company limited by shares registered in Guernsey with registered number 60362 whose registered office address is Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 4NA. The Manager is licensed and regulated by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (GFSC reference number 2265480).

The Manager is a wholly-owned subsidiary of GLIF and therefore forms part of the GLIF Group. The Manager will be responsible for identifying any opportunities in the market and undertaking the initial pre-investment due diligence on prospective investment opportunities. In conjunction with third party advisers, the Manager will undertake in depth due diligence on the Platforms, which includes the relevant Platform's IT capability, underlying loans and underwriting ability. Third party advisers will carry out detailed financial due diligence. Post investment due diligence, the Manager will receive monthly or quarterly financial updates on each of the Investee Platforms.

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

Biographies of the key personnel of the GLIF Group involved in the provision of the Manager's services to the Company are as follows:

Geoffrey Miller

Geoff spent twenty years in the UK financial services industry, as an analyst and as a fund manager, focussed within the non-bank financials sector. He moved offshore in 2007, working in Moscow and Singapore before moving to Guernsey. Geoff took the reins at GLIF in 2009, initially as Chairman and is now Chief Executive Officer. Reflecting the strategic involvement of GLIF within the development of each of its origination platforms and their position in every case as the principal capital provider, Geoff sits on the boards of each of the platform companies and in the case of GLIF BMS Holdings Limited, most of its subsidiary entities. In addition to GLIF-related appointments, Geoff also serves as Chairman of Globalworth Real Estate Investments Ltd, a Guernsey-registered real estate business investing in Romania, and its subsidiary management company, and of a Luxembourg-based asset manager, International Finance Development Company S.A., Holding. Geoff is the chairman and executive director of the Manager.

Andrew Whelan

Andrew has over 25 years of investment experience and is a Chartered Fellow of the Chartered Institute for Securities and Investment. Andrew joined the executive team of GLI Finance Limited as Director of Lending when 100 per cent. of Sancus was acquired by GLI Finance Limited in December 2014. Prior to founding Sancus in 2013, Andrew was a founding partner of Ermitage Group following its management buyout in 2006 from Liberty Life, backed by Caledonia Investments. He left Ermitage following its successful sale to Nexar Capital Group in July 2011 and after a period of gardening leave joined International Asset Monitor as Managing Director to establish a new Jersey branch. Andrew joined Livery Ermitage in 2001 and was a Group Executive Director and Managing Director of Ermitage Global Wealth Management Jersey Limited. He was also CIO of Ermitage's Wealth Management business and products and, during his 10 year tenure, won multiple investment awards. Prior to Liberty Ermitage, Andrew worked for Kleinwort Benson, part of the Dresdner Private Banking Group and started his career with Morgan Grenfell in 1987. He has been recognised in the Citywealth Leaders List in 2007, 2008, 2009, 2010 and 2011 and is also a member of the Retained Global Speaker programme for the CFA (Chartered Financial Analyst) Society.

Marc Krombach

Marc spent 28 years in the Guernsey Banking sector mostly within treasury and foreign exchange. He was Head of Treasury at Investec from 2009 to September 2014 where he was also a member of the bank's leadership team, he joined the bank in 2005 working in their liquidity raising team, servicing the Channel Island fiduciary sector with treasury and lending services. From 2000 to 2005 he was Head of Treasury at Hamburgische Landesbank and from 1995 to 2000 was based at Kleinwort Benson in charge of running their foreign exchange desk. Prior to this Marc spent five years at Chase Bank as a Corporate Treasury Dealer as well as administrative roles at Hanson Bank. Marc passed the Institute of Directors Certificate in Company Direction in 2014 and holds The Dealers Association's ACI Diploma. Marc is a resident in Guernsey.

Emma Stubbs

Emma was Head of Business Analysis and Projects at Sportingbet, an online gaming company from January 2007 to October 2013 where she was responsible for formulating strategy across Europe and Emerging Markets. She had a key role in providing business performance and analysis advice with regard to JVs, B2B, M&A and entering regulated markets. From November 2004 to January 2007 Emma worked as an Account Manager at Marsh Management Services (Guernsey) Limited, a captive insurance company. Emma qualified as a Chartered Certified Accountant with Deloitte in Guernsey in July 2004 where she had been working in the Audit and Advisory department. She graduated from the University of the West of England with a BA Hons degree in Accounting and Finance. Emma is resident in Guernsey.

Louise Beaumont

Louise has over twenty years' experience in growing companies – from initial spark, to operationalisation, results delivered and value created. Having previously worked for organisations such as Siemens, Hewlett Packard, Microsoft, and Capgemini, Louise has focussed on the UK's fast growing alternative finance sector since 2010, including co-founding one of GLIF's investees. Louise has advised key UK government departments and units on FinTech and AltFin including: HM Treasury, British Business Bank, Government Office for Science, Cabinet Office, UK Trade & Industry, Department for Business Innovation & Skills and Number 10 Downing Street's Policy Unit.

History of the GLIF Group

GLIF was incorporated in 2005 in Guernsey and has been providing SME finance since its launch. Initially the business was externally managed by an investment manager but operating functions were progressively brought in-house following the appointment of Geoff Miller as an Executive Director (having previously been Chairman) in 2011. Since early 2011, GLIF has been transformed through a series of transactions to establish itself as a leading provider of SME finance globally through its strategic partnerships.

In 2014, GLIF added 11 Platforms to its portfolio, including the acquisition of the entire issued share capital of Sancus for total consideration of £37.75 million. The acquisition of Sancus provided GLIF with in-house loan origination and underwriting capabilities, with an existing loan book and income stream from Sancus' existing loan book. During 2014, GLIF also sold its remaining direct CLO investments, a process which concluded with the sale, in June 2014, of GLIF's remaining CLO assets to Fair Oaks Income Fund Limited for total consideration of US\$54.7 million (US\$20.4 million of cash and the remainder in shares in Fair Oaks Income Fund Limited). In March 2015, GLIF sold its entire holding in Fair Oaks Income Fund Limited at a price of US\$0.9423 per share, raising gross proceeds of approximately US\$32.3 million.

Through its interests in the Investee Platforms, GLIF is now a provider of finance to SMEs across three continents, with interests in nine Investee Platforms in the UK, one in Jersey, three in Continental Europe, five in the US and one in Africa.

GLIF established the Manager in May 2015 as a wholly-owned, dedicated management entity whose primary focus is on managing portfolios of funds raised to support the provision of finance for the global small and medium sized enterprise sector. The Manager will have overall responsibility for the activities of the funds it manages, including the Company, and this shall include performing the functions of portfolio management and risk management. In the case of Geoff Miller, Marc Krombach, Emma Stubbs and Andrew

Whelan, who are all part of GLIF's executive team, each individual will allocate at least 20 per cent. of their time to the business and operation of the Manager. Through this commitment, the Manager will be able to utilise the GLIF team's extensive experience in providing its services to the Company.

The most notable corporate events since the GLIF Group was founded are noted below.

Initial Fund Raising

GLIF was admitted to trading on the AIM market of the London Stock Exchange in August 2005 as "T2 Income Fund Limited" with an institutional offering of 38,000,000 shares at 100 pence per share.

Creation of T2 Income Fund CLO I Ltd

In October 2006 T2 Income Fund CLO I Ltd ("CLO I") was created for the purpose of providing a long term funding vehicle for GLIF.

Offering of Shares

In June 2007 there was a subsequent offering of 5,000,000 shares at 101.75 pence per share.

Financial Crisis

As a result of significant downgrades of the company's assets in the wake of the financial crisis, despite assets continuing to perform, CLO I failed a number of its quarterly tests and this caused interest to be partially retained within the CLO for two quarters. In anticipation of this, the board of CLO I took the decision not to pay a dividend for the third and fourth quarters of 2008, and the first quarter of 2009.

Board Change

In June 2009 Geoff joined the board of GLIF as chairman, following William Tozier's retirement, and two representatives of the investment manager on the board stepped down.

Dividend Restored

CLO I paid a full interest payment for the second quarter of 2009 and the board of CLO I took the decision to restore an interest payment of 0.5 pence for the second quarter and paid a dividend of 0.5 pence in respect of the third quarter.

Fund Raising and Name Change

In October 2009 GLIF completed a placing of 44,000,000 new ordinary shares at 25 pence per share and changed its name from T2 Income Fund Limited to GLI Finance Ltd. Effective for the fourth quarter of 2009, the dividend was raised to 1 pence per quarter.

AMIC Acquisition

In January 2011 GLIF successfully completed the acquisition of Asset Management Investment Company PLC ("AMIC"), a London-listed investment trust for £12.25m.

Management Fee Reduction

In May 2011 the board of GLIF announced that it had agreed an amendment to the fees to be paid under its investment management agreement with T2 Advisers LLC. From the end of the first quarter of 2012, the management fee was calculated on GLIF's gross assets, less the fair value of the liabilities within the CLO, to the extent that the CLO remains consolidated by GLIF, reducing the management fee significantly.

BMS Investment

In November 2012 GLIF successfully completed the acquisition of assets from BMS Specialist Debt Fund Limited, a UK based specialist finance company.

FundingKnight Investment

In July 2013 GLIF invested £1.5m in the UK online crowd funding platform, Funding Knight Holdings Limited.

Platform Black

On 2 September 2013 GLIF completed an investment in the online platform for crowdfunding invoice finance.

Raiseworks Investment

In December 2013 GLIF invested \$1.5m in the US market place SME lending business, Raiseworks, LLC.

Sancus Investment

On 6 December 2013 GLI Finance Limited acquired a 7.4 per cent. stake in Sancus Limited, a peer-to-peer secured lender based in the Channel Islands.

Finpoint Ltd Investment

In January 2014 Finpoint Limited was created and GLIF acquired a 75 per cent. stake. Finpoint is a UK platform which allows SME business owners, finance directors and their advisors to connect with 60+ lenders.

TradeRiver Finance Investment

On 12 February 2014 GLIF announced its investment in TradeRiver Finance, a non-bank online funding solution which finances trade, both cross-border and in the UK.

European Receivable Exchange (Dansk Faktura Børs) Investment

On 18 February 2014 GLIF announced that it completed its first Continental European investment in the crowd funding sector, in the Danish platform, Dansk Faktura Børs.

CrowdShed Investment

On 26 February 2014 it was announced that CrowdShed, a UK based crowd funding platform had received significant seed investment from GLIF.

Proplend Investment

On 10 March 2014 GLIF completed an investment in property peer-to-peer lending platform Proplend.

Disposal of CLO Investments

On 12 June 2014 the CLO investments valued at \$54,723,722 were transferred to Fair Oaks Income Fund in consideration for a combination of cash and issue of shares.

Finexkap Investment

In July 2014 GLIF acquired a 36.6 per cent. equity interest (expected to reduce to 26.44 per cent.) in Finexkap SAS, a web-based platform providing a revolutionary solution to working capital financing.

LiftForward Investment

In August 2014, GLIF acquired a 20.9 per cent. interest in LiftForward, Inc., a SaaS company which operates marketplace financing platforms for organisations with a large number of small business customers.

The Credit Junction Investment

In September 2014 GLIF made a \$1.5m investment in The Credit Junction, an online lending platform focused on providing working capital and supply chain financing solutions to industrial and manufacturing SMEs.

UK Bond Network Investment

In September 2014 GLIF agreed an investment into UK Bond Network a P2P bond platform which uses its syndicate of experienced investors to provide fast, flexible finance to businesses seeking debt funding.

Ovamba Investment

In September 2014 GLIF agreed an investment in Ovamba a peer-to-business platform which connects over 40 million African diaspora members to investment opportunities in their home countries.

TradeRiver USA Investment

In September 2014 GLIF agreed an investment in TradeRiver USA a non-bank online funding solution, which finances trade, both cross-border and in the US.

Sancus Acquisition

On 16 December 2014 GLIF completed the acquisition of the assets of Sancus.

Open Energy Group

In March 2015, GLIF announced it had agreed an investment in Open Energy Group, a financing platform for US commercial and small utility-scale solar projects.

Fund Raising

In March 2015 GLIF completed a placing of 34,500,000 new ordinary shares at 58 pence per placing share.

Disposal of Fair Oaks Income Fund

On 4 March 2015 GLIF sold its entire holding of Fair Oaks Income Fund.

MyTripleA

In April 2015 GLIF confirmed the details of its investment in MyTripleA a fully regulated Spanish peer-to-peer lending platform that facilitates the provision of alternative financing transactions between SMEs and lending investors.

Funding Options

On 30 April GLIF invested £1.25 million in return for a 28.9 per cent. stake in the ordinary equity and £0.75 million of preference shares of SME credit broker Funding Options Ltd.

3. Administration of the Company

Elysium Fund Management Limited has been appointed as the administrator and company secretary of the Company. The Administrator and Company Secretary is licensed and regulated by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (GFSC reference number 1036796). The Administrator will provide the day to day administration of the Company and will also be responsible for the Company's general administrative functions, such as the calculation of the Net Asset Value and maintenance of the Company's accounting records.

4. Custody arrangements

Butterfield Bank (Guernsey) Limited, whose registered office is located at Regency Court, Glatigny Esplanade, St Peter Port, Guernsey GY1 3AP, acts as the Company's custodian. The Custodian is a non-cellular company limited by shares, registered with registration number 21061 and its telephone number is +44 (0) 1481 711521. The Custodian was incorporated on 26 July 1989 under the laws of Guernsey. The Custodian maintains its registered office and place of central administration in Guernsey. The Custodian has a banking licence granted in accordance with Banking Supervision (Bailiwick of Guernsey) Law, 1994, as amended from time to time. It is subject as such to the supervision of GFSC.

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

5. Fees and expenses

Formation and initial expenses

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

The costs and expenses of the Issue (including all fees, commissions and expenses payable to the Placing Agent in connection therewith) will be paid by the Company. There is no cap on the costs and expenses of the Issue. If the minimum Gross Proceeds are raised, the expenses of the Issue will be approximately £0.82 million.

On-going annual expenses

On-going annual expenses will include the following:

(i) *Manager*

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

The management fee (excluding VAT) is calculated monthly at the following rates expressed as a percentage of the Company Value (the “**Company Value**” being the lower of the Company’s NAV or the Company’s market capitalisation):

- (i) 0.75 per cent. per annum of the Company Value up to £100 million; and
- (ii) 0.5 per cent. per annum of the Company Value as exceeds £100 million).

For the period from First Admission until the date on which 90 per cent. of the net proceeds of the Issue have been invested or committed for investment (other than in Cash Instruments), the value attributable to any Cash Instruments of the Company held for investment purposes shall be excluded from the calculation of NAV for the purposes of determining the management fee.

The management fee is payable quarterly in arrears in pounds sterling.

The Manager shall not be entitled to a performance fee.

(ii) *Administrator and Company Secretary*

Under the terms of the Administration Agreement, the Administrator is entitled to a one-off fee of £25,000, conditional upon First Admission. Thereafter, an administration fee of £100,000 per annum shall be payable by the Company to the Administrator quarterly in arrears. This fee shall be subject to an annual increase on the first day of January in each year for the term of the Administration Agreement in line with the most recently published annual percentage change in the Retail Prices Index (provided that should the Retail Price Index fall, the administration fee shall not be reduced but shall remain unchanged). The Company shall also pay the Administrator a time based fee for the placing, settlement and associated administration of investment transactions as agreed in writing from time to time.

The Administrator is also entitled to reimbursement of all reasonable out-of-pocket expenses properly incurred by it in connection with its duties.

(iii) *Registrar*

Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee of £2.00 per Shareholder account, subject to an annual minimum charge of £3,500 (exclusive of any VAT).

The Registrar shall also be entitled to reimbursement of all reasonable out of pocket expenses properly incurred on behalf of the Company.

(iv) *Receiving Agent*

Under the terms of the Receiving Agent Agreement, the Receiving Agent shall be entitled to receiving agency fees of £3.95 per Redemption Request received in respect of any Redemption Point subject to a minimum aggregate charge of £1,500 per redemption (exclusive of any VAT).

The Receiving Agent shall also be entitled to reimbursement of all reasonable out-of-pocket expenses properly incurred on behalf of the Company.

(v) *Custodian*

Under the terms of the Custody Agreement, the Custodian is entitled to a fee of:

- (i) 0.02 per cent. per annum of the Gross Assets up to £250 million;
- (ii) 0.015 per cent. per annum of the Gross Assets on the portion of the Gross Assets that is between £250 million and £500 million; and
- (iii) 0.01 per cent. per annum of the Gross Assets on the portion of the Gross Assets that is between £500 million and £750 million,

subject to an annual minimum fee of £25,000.

The Custodian's fee is charged quarterly in arrears and a transaction fee of £100 per lodgement or withdrawal of a loan document shall also be payable by the Company.

Should the Company move to another custodian and/or administrator, then a fee shall be levied of £100 per line to transfer out each asset line held plus a time spent fee based on the responsibility and complexity of the work involved and all subject to a minimum fee of £25,000 plus out of pocket expenses.

(vi) *Directors*

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Save for the Chairman of the Board, the fees are £25,000 for each Director per annum. The Chairman's fee is £35,000 per annum. Directors may also receive additional fees for acting as chairmen of any board committee. The current additional fee for serving as the chairman of the Audit and Valuation Committee is £5,000 per annum.

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

(vii) *Other operational expenses*

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

6. Conflicts of interest

The Manager and its officers and employees may be involved in other financial, investment or professional activities that may give rise to conflicts of interest with the Company. In particular, it currently provides, or expects to provide, investment management, investment advice or other services in relation to a number of other companies, funds or accounts (“other clients”) that may have similar investment objectives and/or policies to that of the Company and will receive fees for doing so.

As a result, the Manager may have conflicts of interest in allocating investments among the Company and its other clients and in effecting transactions between the Company and its other clients. The Manager may give advice or take action with respect to its other clients that differs from the advice given or actions taken with respect to the Company. The Manager will ensure that transactions effected by it or its associates in which the Manager or its associates have, directly or indirectly, a material interest or relationship of any description with another party, are effected on terms which are not materially less favourable to the Company than if the potential conflict had not existed.

The Directors have noted that the Manager has other clients and have satisfied themselves that the Manager has procedures in place to address potential conflicts of interest and that, where a conflict arises, the Manager will allocate the opportunity on a fair basis.

As well as advising the Company, the Manager may also make direct investments in the Platforms referred to in this document, or otherwise make direct investments in the same investment opportunities as those intended for the Company. However, such potential conflict of interest is mitigated, as future loans originated by Platforms referred to in this document which are sourced by the Manager and which qualify for investment by the Company will first be offered to the Company for investment, with the exception of loans originated by such Platforms which are less than one year old. In the event that other funds, which may be managed by the Manager in future, wish to participate in an investment in the loans alongside the Company and such investment is appropriate for one or more of such funds, the Manager will present the investment opportunity to each such fund and the Company. In this case, each fund and the Company will be provided with an equal right to participate in the investment opportunity. The amounts of any such investment opportunity allocated between the funds and the Company will be on a pro rata basis to the relative demand of the funds and the Company. Only after the investment appetite of the Company and the other funds managed by the Manager is satisfied could the Manager participate in any investment in the loans itself. Also, by transferring the Initial Portfolio Investor to the Company pursuant to the Share Purchase Agreement conditional upon First Admission in return for a direct equity interest in the Company (details as set out in Part I of this document), the Directors are satisfied that the Manager’s interests will be aligned with those of the Company.

7. Corporate governance

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

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

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

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

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

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

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

Part IV

Redemption of Ordinary Shares

The rights and restrictions attaching to the Ordinary Shares are set out in the Articles of the Company. The provisions of the Articles relating to the redemption of Ordinary Shares are detailed below.

1. Redemption procedure

The Directors shall be entitled at their absolute discretion to determine the procedures for the redemption of the Ordinary Shares (subject to the facilities and requirements of CREST and the Act). Without prejudice to the Directors' discretion, it is intended that the procedure described below shall apply.

Redemptions may take place on any Redemption Point. Upon redemption all Ordinary Shares so redeemed shall be cancelled.

Shareholders may request the redemption of all or any of their Ordinary Shares on any Redemption Point, save that the aggregate number of Ordinary Shares to be redeemed on any one Redemption Point shall not be equal to more than 20 per cent. of the issued Ordinary Share capital of the Company as at the close of business on the last date for receiving Redemption Requests in respect of such Redemption Point. If the Company receives valid Redemption Requests in respect of more than 20 per cent. of the issued Ordinary Share capital of the Company, such requests will be scaled back on a pro-rata basis in respect of each Shareholder who submitted a valid Redemption Request.

The right of Shareholders to request the redemption of all or any of their Ordinary Shares on any Redemption Point shall be exercised by the Shareholder delivering to the Receiving Agent a duly completed Redemption Request by no later than 1.00 p.m. on the day falling 12 Business Days before the relevant Redemption Point (unless otherwise agreed by the Company). The Company intends to announce the redemption opportunity approximately one month prior to the relevant Redemption Point.

A Redemption Request shall be deemed to include a representation and warranty to the Directors that the Ordinary Shares which are the subject of the Redemption Request are free from and clear of all liens, charges and other encumbrances whatsoever.

Shareholders holding Ordinary Shares in certificated form shall be required to complete the Redemption Request on the back of the certificate(s) in respect of the Ordinary Shares which are the subject of the Redemption Request and such other evidence or information as the Directors may request and the due execution by him of the Redemption Request or, if the Redemption Request is executed by some other person on his behalf, the authority of that other person to do so. Shareholders who have lost or damaged their certificates will be required to apply to the Registrar for a new certificate(s). Only valid certificates properly issued by the Registrar will be able to be accepted in respect of any relevant redemption opportunity.

Shareholders holding Ordinary Shares in uncertificated form (that is, in CREST) must send a properly authenticated Transfer to Escrow ("TTE") instruction to effect the transfer of the number of Ordinary Shares which the Shareholder wishes to redeem from his CREST account to the Receiving Agent's specified CREST account, together with such other evidence or information as the Directors may request. The transfer to the Receiving Agent's CREST stock account must be effected no later than 1.00 p.m. on the day falling 12 Business Days before the relevant Redemption Point, which such date being confirmed in the relevant announcement. Such transfers of Ordinary Shares shall be at the risk and the expense of the relevant Shareholder. Following the transfer to the Receiving Agent's CREST stock account and pending redemption of all or part of the Ordinary Shares, Shareholders shall not be entitled to dispose of, encumber, charge or deal in any way whatsoever with the Ordinary Shares which have been so transferred except in the circumstances described below. In order for a TTE instruction to be valid, it will need to comply with the requirements set out in paragraph 6 of this Part IV.

Redemption Requests for Ordinary Shares held in certificated or uncertificated form shall not be valid (unless the Company otherwise agrees) unless they are received by the Receiving Agent by not later than 12 Business Days prior to the relevant Redemption Point.

Other than during any period of suspension of trading of the Ordinary Shares or during any period when the calculation of the Net Asset Value is suspended, a Redemption Request once given may not be withdrawn otherwise than with the prior consent of the Company (which the Directors shall be entitled in their absolute discretion to withhold), but shall only be deemed to have effect in relation to the next Redemption Point following its valid delivery and receipt and not in relation to any subsequent Redemption Point.

During any period of suspension of trading of the Ordinary Shares or during any period when the calculation of the Net Asset Value is suspended an applicant may, by notice in writing, withdraw his Redemption Request. If the request is not withdrawn it shall have effect, subject to the Directors' discretion, on the Redemption Point immediately following the date on which trading of the Ordinary Shares or calculation of the Net Asset Value, as appropriate, ceases to be suspended.

The Directors reserve the right to treat as valid Redemption Requests which are not entirely in order and which are not accompanied (in the case of Ordinary Shares held in certificated form) by the relevant share certificate(s) and/or other document(s) of title and shall be entitled (in their sole discretion) to accept late Redemption Requests.

2. Directors' discretion

Investors should note that the Directors have absolute discretion to operate the bi-annual redemption facility on any given Redemption Point and to accept or decline in whole or part any Redemption Request. Examples of circumstances where this may be the case include: redemption requests where the aggregate number of Ordinary Shares to be redeemed on any one Redemption Point will be in excess of 20 per cent. of the issued Ordinary Share capital of the Company as at the close of business on the last date for receiving Redemption Requests in respect of such Redemption Point; where the liquidation of loan assets in order to satisfy redemption requests would materially compromise the Company's performance or working capital position; a suspension of trading or volatility in the markets in which the Company's assets are invested; corporate actions, including those to which the Takeover Code applies; or where obligations to comply with regulatory requirements so necessitate. Accordingly, whilst the Board does not generally expect to exercise this discretion, existing and prospective Shareholders should place no reliance on the Directors exercising their discretion to permit a Redemption Request in any particular case. In particular, investors should note that where the acceptance of Redemption Requests would result in the Major Shareholder holding 90 per cent. or more of the issued Ordinary Shares, the Board may exercise its rights to decline or scale back any such Redemption Requests. The Directors' determination as to whether to permit or decline a Redemption Request (in whole or in part), together with their reasoning for their decision, will be documented. In the event that the Directors decline Redemption Requests for a particular Redemption Point, the Directors shall be permitted to propose an additional Redemption Point at their absolute discretion.

The Ordinary Shares may only be redeemed or purchased by the Company out of distributable reserves or the proceeds of a fresh issue of shares made for that purpose. It is important to note that in order to maintain its status as an investment trust in accordance with Chapter 4 of Part 24 of the Corporation Tax Act 2010, the Company must retain not more than 15 per cent. of the income it receives in an accounting period and is required to pay dividends in order to be able to meet this condition. Accordingly, to the extent that income is required to be distributed by way of dividend in this way, it will not be available to fund redemptions or repurchases of the Ordinary Shares.

3. Redemption Price

The Redemption Price shall be calculated by reference to the Dealing Value per Ordinary Share. The Redemption Price shall be equal to the Dealing Value per Ordinary Share calculated as at the appropriate Valuation Point in respect of the appropriate Redemption Point in accordance with the procedure set out in paragraph 7 of this Part IV.

4. Settlement of Redemption Requests

The Company will announce the Redemption Price not less than 7 days prior to the Redemption Point, calculated at a 0.5 per cent. discount to the NAV at the end of the preceding month in which the Redemption Point falls (being either March or September). Within 15 Business Days after the relevant Redemption Point the Company shall notify relevant Shareholders of the number of Ordinary Shares redeemed in respect of such holdings. The Company shall dispatch redemption monies to those Shareholders whose Ordinary Shares have been redeemed within 90 days of the relevant Redemption Point.

The Company shall not be liable for any loss or damage suffered or incurred by any Shareholder or other person as a result of or arising out of late settlement, howsoever such loss or damage may arise.

Payment of the Redemption Price in respect of any Ordinary Shares in certificated form will be made by cheque in pounds sterling drawn on a UK clearing bank made payable to the relevant Shareholder(s), and shall be sent to the registered address of the Shareholder, or in the case of joint holders, to the registered address of the joint holder first named in the register of members (being an address outside the United States, Canada, Australia, the Republic of South Africa or Japan) as entered in the register of members in respect of such Ordinary Shares). Due payment of the cheques shall be in satisfaction of the Redemption Price represented thereby. Every such cheque sent through the post shall be sent by first class post (at the risk of the relevant Shareholders).

The Company shall procure that in relation to any Ordinary Shares held in certificated form which have not been redeemed, a balance certificate in respect of such number of unredeemed Ordinary Shares shall be sent (at the risk of the Shareholder) to the registered address of the Shareholder, or in the case of joint holders, to the registered address of the joint holder first named in the register of members (being an address outside the United States, Canada, Australia, Republic of South Africa or Japan) as entered in the register of members) within 10 Business Days after the relevant Redemption Point.

Each payment in respect of Ordinary Shares held in uncertificated form will take place through CREST by means of a CREST payment in favour of the relevant Shareholder's payment bank in respect of the redemption monies due, in accordance with the CREST payment arrangements.

If the Directors exercise their discretion not to redeem all or any of the Ordinary Shares which are the subject of a Redemption Request, the Company shall procure that in relation to Ordinary Shares held in uncertificated form which have not been redeemed the Registrar will, as soon as reasonably practicable after the relevant Redemption Point, transfer by means of a TFE Instruction such Ordinary Shares to the original available balance from which those Ordinary Shares came.

All documents, instructions and remittances sent by, to or from a Shareholder or their appointed agents will be sent at their own risk.

5. Matched bargains

The Company may, prior to a Redemption Point, at its sole discretion, invite investors to purchase Ordinary Shares which are the subject of Redemption Requests.

The price at which such transfers will be made will be the Redemption Price, which the redeeming Shareholder would have received had the Company redeemed and cancelled such Ordinary Shares. The Redemption Price will be determined by reference to and at a 0.5 per cent. discount to the NAV per Ordinary Share applicable at the relevant Redemption Point.

In circumstances where there are investors willing to acquire Ordinary Shares, all or some of the Ordinary Shares which are the subject of Redemption Requests will not be redeemed by the Company but instead shall be transferred to the incoming investor(s), as appropriate, within 15 Business Days of the relevant Redemption Point and following the announcement, as described in paragraph 4 of this Part IV.

Shareholders submitting Redemption Requests are deemed to have agreed that the Company may sell all or any of their Ordinary Shares that are the subject of the Redemption Request to an incoming investor. Under the terms of a Redemption Request, a redeeming Shareholder shall be deemed to authorise the Company to

sell the Ordinary Shares that are the subject of the Redemption Request to an incoming investor as the Directors may determine.

If there is sufficient demand from incoming investors to acquire all of the Ordinary Shares that are the subject of Redemption Requests as at a Redemption Point, the Company may sell all of the Ordinary Shares to incoming investors.

If there is demand from incoming investors to acquire some of the Ordinary Shares that are the subject of Redemption Requests as at a Redemption Point, the Company may select holdings of Ordinary Shares that are the subject of Redemption Requests from Shareholders as at the Valuation Point to satisfy incoming investor demand. Selection of such holdings of Ordinary Shares may be *pro rata* to redeeming Shareholders holdings or such other equitable means as the Directors determine in their discretion such as first come/first served basis or by random ballot. Shareholders who are selected shall have all of their Ordinary Shares that are the subject of the Redemption Requests sold to incoming investors, except for the final Shareholder that is selected who will have such proportion of his or her Ordinary Shares sold to incoming investors and/or redeemed by the Company, as appropriate, to satisfy the remaining demand. The remainder of the Ordinary Shares that are the subject of the Redemption Requests may be redeemed by the Company pursuant to the redemption facility.

Following the relevant Redemption Point, Shareholders will be notified in writing whether their Ordinary Shares have been redeemed by the Company under the redemption facility at the Redemption Price or sold to incoming investors under the matched bargain facility.

Shareholders should note that certain Shareholders may experience a different tax treatment depending on whether they have their Ordinary Shares redeemed by the Company or purchased by incoming investors under the matched bargain facility. Shareholders who are in any doubt as to their tax position should refer to Part VIII of this document and seek professional advice from their own independent financial adviser authorised under the Financial Services and Markets Act 2000.

6. Redemption of Ordinary Shares held in uncertificated form: additional information

6.1 Shareholders who wish to redeem Ordinary Shares held in CREST will need to send a properly authenticated TTE instruction. A valid TTE instruction will need to include the following particulars:

6.1.1 the ISIN number for the Ordinary Shares. This is GB00BYMK5S87;

6.1.2 the number of Ordinary Shares being tendered for redemption;

6.1.3 the participant ID of the holder of the Ordinary Shares;

6.1.4 the member account ID of the holder of the Ordinary Shares, being the account from which the Ordinary Shares are to be debited;

6.1.5 the participant account ID of the Receiving Agent. This is RA10;

6.1.6 the member account ID of the Receiving Agent. This is GLIALTFN;

6.1.7 the corporate action number allocated by Euroclear;

6.1.8 the intended settlement date which must be on or before 1.00 p.m. on the day falling 12 Business Days following the relevant Redemption Point;

6.1.9 a delivery priority of at least 80; and

6.1.10 a contact name and number in the shared note field.

Details of the particulars referred to in 6.1.7 and 6.1.8 above can be obtained by viewing CREST prior to submission of the TTE instruction.

CREST members and (where applicable) CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timing and

limitations will therefore apply in relation to the input of a TTE instruction and its settlement in connection with the exercise of the rights attaching to the Ordinary Shares held in CREST. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a TTE instruction is effected and settled by 1.00 p.m. on the day falling 12 Business Days before the relevant Redemption Point. In this connection, CREST members and (where applicable) their CREST sponsors, are referred in particular to those sections of the CREST manual concerning the practical limitation of the CREST system and timings.

6.2 The Company in its sole discretion may:

- 6.2.1 accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor in substitution for or in addition to a TTE instruction and subject to such further terms and conditions as the Company may determine;
- 6.2.2 treat a properly authenticated instruction (in this paragraph 6.2.2, the “first instruction”) as not constituting a valid TTE instruction if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction, either the Company or the Receiving Agent has received actual notice from Euroclear of any matters referred to in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- 6.2.3 accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a TTE instruction or notification, in the event that, for reasons or due to circumstances outside the control of the CREST member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable to validly request the redemption of his Ordinary Shares by means of the procedures described above. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

7. Calculation of the Dealing Value of the Company and the Dealing Value per Ordinary Share

- 7.1 The Dealing Value of the Company and the Dealing Value per Ordinary Share shall be expressed in pounds sterling and shall be determined in accordance with the valuation principles and procedures from time to time adopted by the Board and notified to Shareholders and, in the absence of such adoption as aforesaid, the following valuation principles and procedures shall apply.

The Dealing Value of the Company shall be calculated as at the Valuation Point applicable to each Redemption Point and such other time and/or day as the Directors may determine. The Dealing Value of the Company will be calculated as the Net Asset Value less 0.5 per cent. In respect of calculating the Dealing Value of the Company by reference to which Redemption Requests may be satisfied, there will be deducted all liabilities of the Company and such provisions and allowances for contingencies and accrued costs and expenses payable by the Company, including a provision for the costs that would be incurred in disposing of the Company’s investments. In addition, the Shareholder whose Ordinary Shares are acquired by an incoming investor will bear any applicable dealing and/or market impact costs.

Where the current price of an investment held by the Company is quoted ‘ex’ any dividend (including stock dividend), interest or other rights to which the Company is entitled but such dividend, interest or the property to which such rights relate has not been received and is not taken into account under any other provisions of the Articles, the amount of such dividend, interest, property or cash shall be taken into account. As is stated in paragraph 13 of Part I of this document, the Net Asset Value is the value of all assets of the Company less its liabilities to creditors (including provisions for such

liabilities) determined in accordance with the Association of Investment Companies' valuation guidelines and in accordance with IFRS.

- 7.2 The Dealing Value per Ordinary Share shall be the Dealing Value of the Company at the relevant Valuation Point applicable to the relevant Redemption Point divided by the number of Ordinary Shares in issue or deemed to be in issue at the Valuation Point. For this purpose:
- 7.2.1 Ordinary Shares which have been allotted shall be deemed to be in issue from the close of business on the Redemption Point on which they are allotted;
 - 7.2.2 Ordinary Shares which have been repurchased (whether or not held in treasury) or redeemed shall be deemed to cease to be in issue at the close of business on the Redemption Point on which they are repurchased or redeemed;
 - 7.2.3 monies paid or payable to the Company in respect of the allotment of Ordinary Shares shall be deemed to be an asset of the Company as of the time at which such Ordinary Shares are deemed to be in issue; and
 - 7.2.4 monies payable by the Company on the repurchase or redemption by the Company of Ordinary Shares pursuant to repurchases or Redemption Requests shall be deemed to be a liability of the Company from the time at which such Ordinary Shares are deemed to cease to be in issue.
- 7.3 The Directors may temporarily suspend the determination of the Dealing Value of the Company during the whole or any part of any period when:
- 7.3.1 any principal market or stock exchange on which not less than 10 per cent. of the investments of the Company from time to time are quoted or traded is closed other than for ordinary holidays or during which dealings therein are restricted or suspended generally;
 - 7.3.2 as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Board, disposal or valuation of investments of the Company or other transactions in the ordinary course of the Company's business is not reasonably practicable without this being materially detrimental to the interests of Shareholders or if, in the opinion of the Board, the Dealing Value of the Company cannot fairly be calculated;
 - 7.3.3 there is a breakdown of the means of communication normally employed in determining the Dealing Value of the Company;
 - 7.3.4 to a material extent the Company is unable to repatriate funds for the purpose of making payments on the repurchase or redemption of Ordinary Shares or during which the realisation of investments involved in the repurchase or redemption of Ordinary Shares cannot in the opinion of the Board be effected at normal prices or normal rates of exchange; or
 - 7.3.5 it is not reasonably practicable to determine the Dealing Value of the Company on an accurate and timely basis.

8. Liability

Any determination of the Dealing Value of the Company or Dealing Value per Ordinary Share made in accordance with the valuation guidelines from time to time adopted by the Board shall be binding on all parties. Neither the Directors nor the Manager shall be responsible to any Shareholder or any other person in respect of all or any acts done in carrying out their duties in relation thereto in the absence of fraud, negligence or wilful default.

Part V

Issue Arrangements and the Consideration Shares

1. Introduction

The Company is offering a minimum of 45 million Ordinary Shares under the Issue, which will first be allocated to GLIF pursuant to the terms of the Share Purchase Agreement and thereafter will be allocated to Placees under the Placing and applicants pursuant to the Intermediaries Offer. The Company is proposing to raise a minimum of £4.96 million, before expenses, through the Placing and Intermediaries Offer of a minimum of 4.96 million Ordinary Shares at a price of £1 per Ordinary Share. The Issue is not being underwritten.

The aggregate proceeds of the Issue, after deduction of expenses, are expected to be approximately £44.18 million on the assumption that the minimum Gross Proceeds of £45 million are raised through the Placing and the Intermediaries Offer and after the issue of the Consideration Shares.

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

2. The Placing

In connection with the Placing, the Company, the Manager, GLIF, N+1 Singer and the Directors have entered into the Placing Agreement, pursuant to which N+1 Singer has agreed to use its reasonable endeavours to procure subscribers for the Ordinary Shares under the Issue at the Issue Price.

The terms and conditions which shall apply to any subscription for Placing Shares procured by N+1 Singer will be set out in the Placing Letters that will be provided to the Placees under the Placing.

Each Placee agrees to be bound by the Articles once the Placing Shares which the Placee has agreed to subscribe for pursuant to the Placing have been acquired by the Placee. The contract to subscribe for Placing Shares under the Placing and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of N+1 Singer, the Company, the 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.

3. The Intermediaries Offer

Investors may also subscribe for Ordinary Shares at the Issue Price pursuant to the Intermediaries Offer. The Intermediaries' retail investor clients in the United Kingdom, the Channel Islands and the Isle of Man are eligible to participate in the Intermediaries Offer. However, any member of the public in these jurisdictions may apply to any one of the Intermediaries to be accepted as their client so as to enable them to participate in the Intermediaries Offer.

No Ordinary Shares allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom, the Channel Islands and the Isle of Man. It is a term of the Intermediaries Offer that each Underlying Applicant must apply for such number of Ordinary Shares as results in a minimum consideration payment by such Underlying Applicant of £1,000 and thereafter in multiples of £1. Determination of the number of Ordinary Shares offered will be determined solely by the Company (following consultation with N+1 Singer and the Manager). Allocations to Intermediaries will be determined solely by the Company (following consultation with N+1 Singer and the Manager).

An application for Ordinary Shares in the Intermediaries Offer means that the Underlying Applicant agrees to acquire the Ordinary Shares applied for at the Issue Price. Each Underlying Applicant must comply with the appropriate money laundering checks required by the relevant Intermediary and all other laws and regulations applicable to their agreement to subscribe for Ordinary Shares. Where an application is not accepted or there are insufficient Ordinary Shares available to satisfy an application in full, the relevant Intermediary will be obliged to refund the Underlying Applicant as required and all such refunds shall be made without interest. The Company, the Manager and N+1 Singer accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Each Intermediary has agreed, or will on appointment agree, to the terms of the Intermediaries Agreement which regulates, *inter alia*, the conduct of the Intermediaries Offer on market standard terms and provides for the Intermediaries to elect to receive either (i) a commission from N+1 Singer (acting on behalf of the Company) equal to 0.5 per cent. of the aggregate value of the Ordinary Shares allocated to and paid for by the Intermediary in connection with the Intermediaries Offer (where the payment of such commission is not prohibited), or (ii) a payment in connection with the administering of corporate actions and/or advertising in relation to the Intermediaries Offer subject to a cap equal to 0.5 per cent. of the aggregate value of the Ordinary Shares allocated to and paid for by the Intermediary. Pursuant to the terms of the Intermediaries Agreement, in making an application, each Intermediary will also be required to represent and warrant that they are not located in the United States and are not acting on behalf of anyone located in the United States.

In addition, the Intermediaries may prepare certain materials for distribution or may otherwise provide information or advice to retail investors in the United Kingdom, the Channel Islands and the Isle of Man subject to the terms of the Intermediaries Agreement. Any such materials reviewed, information or advice are solely the responsibility of the relevant Intermediary and will not be reviewed or approved by any of the Company, the Manager or N+1 Singer. Any liability relating to such documents shall be for the relevant Intermediaries only.

4. Conditions

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

- (i) the Placing Agreement becoming wholly unconditional (save as to First Admission) and not having been terminated in accordance with its terms prior to First Admission;
- (ii) First Admission occurring by 8.00 a.m. on 23 September 2015 (or such later date, not being later than 31 October 2015, as the Company and N+1 Singer may agree);
- (iii) the minimum Gross Proceeds being raised; and
- (iv) the Share Purchase Agreement entered into between the Company and GLIF becoming unconditional in accordance with its terms (save as to First Admission).

If the Issue does not proceed, application monies received will be returned to applicants without interest to the bank account from which the money was received or by returning the cheque, or by crossed cheque in favour of the first-named applicant, by post at the risk of the person(s) entitled thereto within 14 days. In the meantime, application monies will be retained by the Receiving Agent in a separate non-interest bearing account.

In the event that the Company, in consultation with N+1 Singer, wishes to waive condition (iii) referred to above, the Company will be required to publish a supplementary prospectus (including a working capital statement based on a revised minimum net proceeds figure).

5. Scaling back

Ordinary Shares will first be allocated to GLIF as the Consideration Shares required to be issued as part of the consideration payable by the Company pursuant to the Share Purchase Agreement. In the event that commitments under the Placing and valid applications under the Intermediaries Offer exceed the maximum number of Ordinary Shares available, applications under the Placing and Intermediaries Offer will be scaled

back at the Company's discretion (in consultation with N+1 Singer). The Company (in consultation with N+1 Singer) reserves the right to decline in whole or in part any application for Ordinary Shares pursuant to the Placing and Intermediaries Offer. Accordingly, applicants under the Placing and Intermediaries Offer may, in certain circumstances, not be allotted the number of Ordinary Shares for which they have applied.

The result of the Issue (and any scaling back) will be announced immediately prior to First Admission through a Regulatory Information Service.

6. The Placing Agreement

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

Under the Placing Agreement, N+1 Singer is entitled at its discretion and out of its own resources at any time to rebate to some or all investors, or to other parties, part or all of its fees relating to the Placing and Intermediaries Offer. N+1 is also entitled under the Placing Agreement to retain agents and may pay commission in respect of the Placing and Intermediaries Offer and/or the Placing Programme Issue to any or all of those agents out of its own resources.

7. 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 Ordinary Shares, including further identification of the applicant(s), before any Ordinary Shares are issued.

8. Consideration Shares

The Company and GLIF have entered into the Share Purchase Agreement. Under the Share Purchase Agreement, GLIF has agreed to transfer the entire issued share capital of the Initial Portfolio Investor to the Company at the net asset value of those shares on the Initial Portfolio Valuation Date in accordance with the valuation methodology described in Part I of this document, in consideration for the Company issuing the Consideration Shares to it. The Consideration Shares will be subject to the provisions of the Orderly Market Deed, the terms of which are summarised in paragraph 7.9 of Part X of this document.

The Share Purchase Agreement is conditional upon First Admission.

9. Admission, clearing and settlement

Application has been made for all of the Ordinary Shares to be issued pursuant to the Issue to be admitted to trading on the London Stock Exchange (Specialist Fund Market). It is expected that First Admission will become effective and dealings will commence on 23 September 2015.

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

Where applicable, definitive share certificates in respect of the Ordinary Shares are expected to be despatched, by post at the risk of the recipients, to the relevant holders, in the week beginning 28 September 2015. Prior to the despatch of definitive share certificates in respect of any Ordinary Shares which are held in certificated form, transfers of those Ordinary Shares will be certified against the Register. No temporary documents of title will be issued.

The ISIN number of the Ordinary Shares is GB00BYMK5S87 and the SEDOL code is BYMK5S8.

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

10. The Specialist Fund Market

The Specialist Fund Market is an EU regulated market. Pursuant to its admission to the Specialist Fund Market, the Company will be subject to the Prospectus Rules, the Disclosure and Transparency Rules and the Market Abuse Directive (as implemented in the UK through FSMA). In addition, the Directors have resolved that, as a matter of best practice and good corporate governance, the Company will comply with certain key provisions of the Listing Rules. Further details of the Company's voluntary compliance with the Listing Rules is set out on pages 35 to 36 of this document.

11. CREST

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

12. Use of proceeds

The Directors intend to use the net proceeds of the Issue to acquire investments in accordance with the Company's investment objective and policy, as stated in this document.

The Directors anticipate being substantially fully invested within a period of six to nine months following First Admission.

13. Profile of typical investor

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

14. Overseas Persons

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

Persons (including, without limitation, nominees and trustees) receiving this document must not distribute or send it to any US Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the US Investment Company Act and the offer, issue and sale of the Ordinary Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States. The Ordinary Shares may not be offered, sold, pledged or otherwise transferred to (i) any US Person or a person acting for the account of a US Person or (ii) a Benefit Plan Investor.

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

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

Part VI

The Placing Programme

1. Details of the Placing Programme

Following the Issue, the Directors intend to implement the Placing Programme. The Directors are authorised to issue up to 200 million Ordinary Shares and/or C Shares pursuant to the Placing Programme without having to first offer those Ordinary Shares or C Shares to existing Shareholders.

The Placing Programme is being implemented to satisfy market demand and to enable the Company to raise additional capital in the period from First Admission to 31 August 2016 provided that no shares will be issued under the Placing Programme until the proceeds of the Issue have been fully invested. The Directors intend to apply the net proceeds of the Placing Programme in making investments in accordance with the Company's investment objective and policy.

Under the Placing Programme the Company can issue both Ordinary Shares and C Shares. The number of Ordinary Shares and/or C Shares available under the Placing Programme is intended to be flexible and should not be taken as an indication of the number of shares to be issued. The Company will make the decision on each individual occasion it wishes to issue shares under the Placing Programme as to whether the Company will issue Ordinary Shares or C Shares. It will make this decision based on a combination of factors, and having taken into account the Manager's opinion, including, amongst other things, the potential size of any issue relative to the Company's existing market capitalisation and gross assets, the potential level of demand for new shares amongst existing and potential investors, and the speed with which the Manager estimates that it could invest any new proceeds raised. Depending on the materiality of any issue under the Placing Programme, the Company will update Shareholders at the appropriate time. Any issues of such shares will be notified by the Company through a Regulatory Information Service and the Company's website, prior to each Admission. The Placing Programme is not being underwritten.

The Placing Programme may have a number of closing dates in order to provide the Company with the ability to issue Ordinary Shares and/or C Shares over the duration of the Placing Programme. Subject to the proceeds of the Issue being fully invested, Ordinary Shares and/or C Shares may be issued under the Placing Programme at any time until 1.00 p.m. on 31 August 2016. Application will be made to the London Stock Exchange for such Ordinary Shares and/or C Shares to be admitted to trading on the London Stock Exchange (Specialist Fund Market). The issue of Ordinary Shares and/or C Shares pursuant to the Placing Programme is at the discretion of the Directors.

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

2. Conditions

The Placing Programme is conditional, *inter alia*, on:

- (i) the Placing Programme Price being determined by the Directors as described below;
- (ii) Admission of the Ordinary Shares and/or C Shares being issued pursuant to such issue; and
- (iii) a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules.

In circumstances where these conditions are not fully met, the relevant issue of Ordinary Shares and/or C Shares pursuant to the Placing Programme will not take place.

3. Placing Programme Price

The Placing Programme Price will be determined by the Company and, in the case of Ordinary Shares, will be not less than the Net Asset Value (cum income) per Ordinary Share and, in the case of C Shares, will be £1.00 per C Share.

The Directors will determine the Placing Programme Price on the basis described above so as to cover the costs and expenses of each issue under the Placing Programme and to thereby avoid any dilution of the Net Asset Value of the existing Ordinary Shares. In determining the Placing Programme Price, the Directors will also take into consideration, inter alia, the prevailing market conditions at that time.

The Placing Programme Price will be announced through a Regulatory Information Service as soon as is practicable in conjunction with each issue.

4. Voting dilution

The existing issued share capital of the Company immediately prior to the Issue comprises the management shares, held by the Manager. The Issue comprises the issue of Ordinary Shares pursuant to the Placing and the Intermediaries Offer and the Issue of the Consideration Shares. Accordingly, immediately after the issue the existing shareholder of the Company, being the Manager, will hold approximately 40.04 million Ordinary Shares, representing approximately 88.97 per cent. of the issued share capital of the Company, assuming the minimum Gross Proceeds of £45 million are raised pursuant to the Issue (and prior to the conversion of any C Shares). The voting rights of the Manager will be diluted accordingly for any additional Ordinary Shares issued in respect of any funds raised pursuant to the Issue over and above the minimum Gross Proceeds of £45 million. The voting rights of the Shareholders immediately after the Issue may be diluted further on conversion of any C Shares, depending on the applicable conversion ratio. However, it is not anticipated that there will be any dilution in the NAV per Ordinary Share as a result of the Placing Programme and C Shares may be offered to existing Ordinary Shareholders by way of an open offer, although this is not guaranteed.

5. The Placing Agreement

N+1 Singer is entitled to terminate the Placing Agreement at any time prior to any Subsequent Admission in certain circumstances. If this right is exercised, the Placing Programme and these arrangements will lapse and any monies received in respect of the relevant Subsequent Placing will be returned to applicants without interest at the applicant's risk.

The Placing Agreement provides for N+1 Singer to be paid commission by the Company in respect of the Ordinary Shares and/or C Shares to be allotted pursuant to the Placing Programme. Any Ordinary Shares and/or C Shares subscribed for by N+1 Singer may be retained or dealt in by it for its own benefit.

Under the Placing Agreement, N+1 Singer is entitled at its discretion and out of its own resources at any time to rebate to some or all investors, or to other parties, part or all of its fees relating to the Placing Programme. N+1 Singer is also entitled under the Placing Agreement to retain agents and may pay commission in respect of the Placing Programme to any or all of those agents out of its own resources.

Further details of the terms of the Placing Agreement are set out in paragraph 7.1 of Part X of this document.

6. General

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

7. Clearing and settlement

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

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Ordinary Shares and/or the C Shares, nor does it guarantee the price at which a market will be made in the Ordinary Shares and/or C Shares. Accordingly, the dealing price of the Ordinary Shares and/or C Shares may not necessarily reflect changes in the underlying Net Asset Value per share. Furthermore, the level of liquidity on the Specialist Fund Market is relatively unknown.

8. CREST

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

9. Use of proceeds

The Directors intend to use the net proceeds of the Placing Programme to acquire investments in accordance with the Company's investment objective and policy, as stated in this document.

10. Profile of a typical investor

Each Subsequent Placing under the Placing Programme is designed to be suitable for institutional investors and professionally advised private investors seeking exposure to alternative finance instruments and related instruments. The Ordinary Shares and/or C Shares being offered pursuant to any such Subsequent Placing may also be suitable for investors who are non-advised private investors who are capable of evaluating the risks and merits of such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in Ordinary Shares and/or C Shares pursuant to any Subsequent Placing.

11. Overseas Persons

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

Persons (including, without limitation, nominees and trustees) receiving this document must not distribute or send it to any US Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the US Investment Company Act and the offer, issue and sale of the Ordinary Shares and/or C 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. Accordingly, the Ordinary Shares and the C Shares are only being offered and sold outside the United States to Non-US Persons in reliance on the exemption from registration provided by Regulation S. The Ordinary Shares and/or C Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, (i) any US Person or a person acting for the account of a US Person; or (ii) a Benefit Plan Investor.

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

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

Part VII

Historical Financial Information on the Initial Portfolio Investor

The following is the full text of a report on the Initial Portfolio Investor from Baker Tilly Corporate Finance LLP, the Reporting Accountants, to the Directors of the Company.



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The Directors
GLI Alternative Finance plc
1 Finsbury Circus
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EC2M 7SH

1 September 2015

Dear Sirs,

GLI Alternative Finance Guernsey Limited (the “Initial Portfolio Investor”)

We report on the historical financial information on the Initial Portfolio Investor set out in Section B of this Part VII of the Prospectus dated 1 September 2015 (the “Prospectus”) of GLI Alternative Finance plc (the “Historical Financial Information”). This Historical Financial Information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out at Note 3 to the Historical Financial Information. This report is required by paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law, we do not accept or assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules, or consenting to its inclusion in the Prospectus.

Responsibilities

The Directors of the Company are responsible for preparing the Historical Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the Historical Financial Information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of significant

estimates and judgments made by those responsible for the preparation of the Historical Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Historical Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Initial Portfolio Investor as at the dates stated and of its results, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with paragraph 1.2 of Annex I of Appendix 3.1.1 of the Prospectus Rules and paragraph 1.2 of Annex III of Appendix 3.1.1 of the Prospectus Rules.

Yours faithfully

Baker Tilly Corporate Finance LLP

Regulated by the Institute of Chartered Accountants in England and Wales

Baker Tilly Corporate Finance LLP is a limited liability partnership registered in England and Wales, registered no. OC325347. A list of the names of members is open to inspection at the registered office 25 Farringdon Street London EC4A4AB.

SECTION B: HISTORICAL FINANCIAL INFORMATION ON THE INITIAL PORTFOLIO INVESTOR

**Statement of Financial Position
as at 31 July 2015**

	<i>Note</i>	<i>31 July 2015 £'000</i>
Non-current assets		
Loans	6	37,616
Other receivables	7	259
		<u>37,875</u>
Current assets		
Loans	6	2,436
Other receivables	7	170
		<u>2,606</u>
Total assets		<u>40,481</u>
Total liabilities		<u>–</u>
Net assets		<u>40,481</u>
Capital and reserves attributable to owner of the Initial Portfolio Investor		
Share capital	8	–
Distributable reserve	8	40,481
Total equity attributable to owner of the Initial Portfolio Investor		<u>40,481</u>

**Statement of Changes in Equity
for the period from 20 April 2015 to 31 July 2015**

	<i>Note</i>	<i>Share capital £'000</i>	<i>Distributable reserve £'000</i>	<i>Total £'000</i>
At incorporation on 20 April 2015		–	–	–
<i>Total comprehensive income for the period</i>		–	–	–
<i>Contributions by and distributions to owner</i>				
Issue of Ordinary Share	9	–	40,481	40,481
At 31 July 2015		<u>–</u>	<u>40,481</u>	<u>40,481</u>

No Statement of Comprehensive Income or Statement of Cash Flows have been prepared as no transactions occurred which required presentation in this historical financial information for the period ended 31 July 2015 (see note 11).

There was no other comprehensive income in the period.

Notes to the Historical Financial Information

1. General information

GLI Alternative Finance Guernsey Limited (the “**Initial Portfolio Investor**”) is a Guernsey domiciled non-cellular company incorporated in Guernsey on 20 April 2015 and is registered under the provisions of the Companies (Guernsey) Law, 2008, with its registered office at Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 4NA. Its principal activity is investing, principally via Investee Platforms, in a range of SME loan assets, diversified by way of asset class, geography and duration.

2. Statement of compliance

This historical financial information has been prepared in accordance with International Financial Reporting Standards (“**IFRS**”), issued by the International Accounting Standards Board (“**IASB**”), interpretations issued by the IFRS Interpretations Committee and applicable legal and regulatory requirements of Guernsey Law and reflect the significant accounting policies laid out in note 3.

3. Significant accounting policies

(a) *Basis of preparation*

The historical financial information has been prepared on a historical cost basis, except for loans and receivables which were originally valued at fair value plus any directly attributable transaction costs, and subsequently valued at amortised cost using the effective interest method, less impairment allowance. The historical financial information has been rounded to the nearest thousand.

(b) *Functional and presentation currency*

The performance of the Initial Portfolio Investor is measured and reported to investors in Sterling. The Directors consider Sterling to be the currency that most accurately represents the economic effects of the underlying transactions, events and conditions. The historical financial information is presented in Sterling, which is the Initial Portfolio Investor’s functional and presentation currency.

(c) *Foreign currency*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Translation differences on non-monetary financial assets and liabilities, such as loans and receivables, are reported as part of the fair value gain or loss recognised in the Statement of Comprehensive Income.

(d) *Financial assets*

(i) *Classification*

Financial instruments are designated as loans and receivables in accordance with IAS 39.

(ii) *Recognition*

The Initial Portfolio Investor recognises financial assets designated as loans and receivables on the trade date. From this date, any impairment will be recognised.

(iii) *Initial Measurement*

Financial assets designated as loans and receivables are recorded in the Statement of Financial Position at fair value plus any directly attributable transaction costs.

(iv) *Subsequent Measurement*

After initial measurement, the Initial Portfolio Investor measures financial assets designated as loans and receivables at amortised cost using the effective interest method, less impairment allowance. Gains and losses will be recognised in the Statement of Comprehensive Income when the asset is derecognised or impaired. Interest earned or paid on these instruments will be recorded separately as interest income.

(v) *Derecognition*

A financial asset is derecognised when the Initial Portfolio Investor has transferred its right to receive cash flows from an asset, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Initial Portfolio Investor's continuing involvement in the asset. This occurs when rights are realised, expire or are surrendered. Realised gains and losses are calculated as the difference between the sales proceeds and costs.

(e) *Significant estimates and judgements*

The Directors make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out in note 4.

(f) *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

(g) *Receivables and prepayments*

Receivables are carried at the original invoice amount, less allowance for doubtful receivables. Provision is made when there is objective evidence that the Initial Portfolio Investor will be unable to recover balances in full. Balances are written-off when the probability of recovery is assessed as being remote.

(h) *Income and expenses*

Bank interest and loan interest are recognised on a time-proportionate basis using the effective interest rate method.

All expenses are recognised on an accruals basis. All of the Initial Portfolio Investor's expenses (with the exception of share issue costs, which are charged directly to distributable reserves) are charged through the Statement of Comprehensive Income in the period in which they are incurred.

(i) *Transaction costs*

Transaction costs incurred on the acquisition of financial assets held at amortised cost will be capitalised upon recognition of the financial asset.

(j) *Taxation*

The Initial Portfolio Investor presents withholding tax separately from the gross loan income in the Statement of Comprehensive Income.

The Income Tax Authority of Guernsey has granted the Initial Portfolio Investor exemption from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 and the income of the Initial Portfolio Investor may be distributed or accumulated without deduction of Guernsey income tax. Exemption under the above mentioned Ordinance entails payment by the Initial Portfolio Investor of an annual fee of £1,200 for each year in which the exemption is claimed. It

should be noted, however, that interest and dividend income accruing from the Initial Portfolio Investor's investments may be subject to withholding tax in the country of origin.

The Initial Portfolio Investor has not suffered any withholding tax in the period on its investments.

(k) ***Standards, interpretations and amendments issued but not yet effective***

The IASB has issued/revised a number of relevant standards and interpretations with an effective date after the date of this historical financial information. The Directors have chosen not to early adopt these standards and interpretations and they do not anticipate that they, with the possible exception of IFRS 9, would have a material impact on the Initial Portfolio Investor's historical financial information in the period of initial application. A full assessment of the impact of IFRS 9 has not yet been performed.

		<i>Effective date</i>
IAS 1	Presentation of Financial Statements – <i>amendments resulting from the disclosure initiative</i>	1 January 2016
IFRS 7	Financial Instruments: Disclosures – <i>amendments resulting from Annual Improvements.</i>	1 January 2016
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2017
IAS 34	Interim Financial Reporting – amendments resulting from September 2014 Annual Improvements to IFRSs	January 2016

(l) ***Operating segments***

The Directors, as the chief operating decision-making body, review financial information for and make decisions about the Initial Portfolio Investor overall investing business, and have identified a single operating segment, that of investment in a range of SME loan assets.

4. Judgements and estimates

The preparation of the Initial Portfolio Investor's historical financial information requires the Directors to make judgements, estimates and assumptions that affect the reported amounts recognised in the historical financial information and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in future periods.

Judgements

In the process of applying the Initial Portfolio Investor's accounting policies, management has made the following judgements, which have had the most significant effects on the amounts recognised in the historical financial information:

Going concern

After making reasonable enquiries, and assessing all data relating to the Initial Portfolio Investor's liquidity, the Directors have a reasonable expectation that the Initial Portfolio Investor has adequate resources to continue in operational existence for the foreseeable future and do not consider there to be any threat to the going concern status of the Initial Portfolio Investor.

Therefore, the Directors have adopted the going concern basis in preparing the historical financial information.

Determination of functional currency

The performance of the Initial Portfolio Investor is measured and reported to investors in Sterling. The Directors consider Sterling to be the currency that most accurately represents the economic effects of the underlying transactions, events and conditions.

Ownership of the investments

The loans held by the Initial Portfolio Investor were transferred from GLIF through novation agreements effective from 31 July 2015. As at 31 July 2015 certain novation agreements had not been finalised, however transfer agreements were in place confirming that the economic interest in the loans was transferred on 31 July 2015 and with effect from that date. The Directors consider that, although the Initial Portfolio Investor was not the legal lender of record as at 31 July 2015 in respect of these loans, it was the beneficiary of the economic interest and these loans have therefore been recognised on the balance sheet as at 31 July 2015.

Estimates and assumptions

The Initial Portfolio Investor based its assumptions and estimates on parameters available when the historical financial information was prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Initial Portfolio Investor. Such changes are reflected in the assumptions when they occur.

Valuation of financial instruments

The principal estimates and judgements in the Initial Portfolio Investor's historical financial information involve the valuation of the loans. At 31 July 2015, the Initial Portfolio Investor's loans were designated as loans and receivables and the initial basis of valuation was fair value plus any directly attributable transaction costs, with subsequent valuations being at amortised cost using the effective interest method, less impairment allowance.

Recoverability of loans and other receivables

Further estimates and judgements made by the Directors relate to the recognition of any impairment provision provided against the loans and other receivables. At 31 July 2015, there was no loan principal, which is included in the fair value of the Initial Portfolio Investor's loan portfolio, which is in default or considered impaired. In addition, there is no accrued interest which is considered to be uncollectable.

5. Dividends

No dividends were paid in respect of the period. The Directors do not propose the payment of a final dividend.

6. Loans

	<i>2015</i> <i>£'000</i>
Opening cost	–
Purchase of loans	40,481
Closing cost	<u>40,481</u>
Closing unrealised gain/(loss) on loans	–
Closing valuation	<u>40,481</u>

The terms of the loans are detailed in section 6 of Part I of this document.

7. Other receivables

	<i>2015</i> <i>£'000</i>
Accrued interest income	429
Other receivables and prepayments	<u>429</u>

8. Share capital

	2015 £'000	
Authorised share capital:		
Unlimited unclassified Shares of no par value	—	
	<hr/>	
	2015 Number	2015 £'000
<i>At 20 April 2015</i>	—	—
Issued share capital:		
1 Ordinary Share of no par value issued during the period	1	—
	<hr/>	<hr/>
Closing balance at 31 July 2015	1	—
	<hr/>	<hr/>

During the period the Initial Portfolio Investor issued one Ordinary Share of no par value to GLI Finance Limited in return for the loans and associated accrued interest receivable of £40,481,000.

9. Financial risk management

Risk is inherent in the Initial Portfolio Investor's activities, but it is managed through a process of ongoing identification, measurement and monitoring. The Initial Portfolio Investor is exposed to market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk from the financial instruments it holds. Risk management procedures are in place to minimise the Initial Portfolio Investor's exposure to these financial risks, in order to create and protect Shareholder value.

Risk management structure

The Board of Directors is responsible for identifying and controlling risks and is ultimately responsible for the overall risk management approach within the Initial Portfolio Investor. The primary objectives of the financial risk management function are to establish risk limits, and then to ensure that exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

Capital risk management

The Initial Portfolio Investor's capital is represented by the net assets attributable to the shareholder and the objective when managing capital is to enable the Initial Portfolio Investor to continue as a going concern in order to provide a consistent appropriate risk-adjusted return to the shareholder. The Initial Portfolio Investor is not subject to regulatory or industry specific limitations on its capital, other than the legal requirements for Guernsey incorporated entities. The Initial Portfolio Investor considers the amount and composition of its capital in proportion to risk.

Excessive risk concentration

Concentration indicates the relative sensitivity of the Initial Portfolio Investor's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowing facilities or reliance on a particular market in which to realise liquid assets. Concentrations of foreign exchange risk may arise if the Initial Portfolio Investor has a significant net open position in a single foreign currency, or aggregate net open positions in several currencies that tend to move together.

Market risk

(i) *Price risk*

Price risk exposure arises from the uncertainty about future prices of financial instruments held. It represents the potential loss that the Initial Portfolio Investor may suffer through holding market positions in the face of price movements. All investments present a risk of loss of capital.

The Initial Portfolio Investor's investments are categorised as loans and receivables and are valued at amortised cost, less impairment. Therefore, the Initial Portfolio Investor's investments are not subject to price risk.

(ii) *Foreign currency risk*

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Initial Portfolio Investor's functional currency. The Initial Portfolio Investor invests in securities and other investments that are denominated in currencies other than Sterling. Accordingly, the value of the Initial Portfolio Investor's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Initial Portfolio Investor will necessarily be subject to foreign exchange risks.

As at 31 July 2015 a proportion of the net financial assets of the Initial Portfolio Investor are denominated in currencies other than Sterling as follows:

	<i>2015</i>
	<i>£'000</i>
US Dollars	3,882
Euros	1,543
	<hr/>
	5,425

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Initial Portfolio Investor's functional currency. The Initial Portfolio Investor invests in securities and other investments that are denominated in currencies other than Sterling. Accordingly, the value of the Initial Portfolio Investor's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Initial Portfolio Investor will necessarily be subject to foreign exchange risks.

At 31 July 2015, if exchange rates of both Euros and US Dollars had strengthened/weakened by 5% against Sterling with all other variables remaining constant, the increase/(decrease) in net assets attributable to holder of the Ordinary Share for the period would amount to approximately £271,000/£(271,000).

(iii) *Interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Initial Portfolio Investor is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial instruments and cash flow. Loans and receivables are the only interest bearing financial instruments.

The Board of Directors manages the Fund's exposure to interest rate risk, paying heed to prevailing interest rates and economic conditions, market expectations and its own views as to likely moves in interest rates.

	<i>Fixed interest £'000</i>	<i>Variable interest £'000</i>	<i>Non-interest bearing £'000</i>	<i>Total £'000</i>
2015				
Financial Assets – Loans and receivables				
Loans	40,052	–	–	40,052
Other receivables	–	–	429	429
Total financial assets	40,052	–	429	40,481
Total interest sensitivity gap	40,052	–	429	40,481

At 31 July 2015, if interest rates had increased or decreased with all other variables remaining constant, there would have been no movement in net assets attributable to the holder of the Ordinary Share as no assets were subject to variable interest rates.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the Initial Portfolio Investor by failing to discharge an obligation. The Initial Portfolio Investor is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations.

Impairment provisions are provided for losses that have been incurred by the financial reporting date, if any. At the period end, there was no loan principal, which is included in the fair value of the Initial Portfolio Investor's loan portfolio, which is in default or considered impaired. In addition, there is no accrued interest which is considered to be uncollectable.

The Initial Portfolio Investor's total credit exposure is limited to the carrying amount of loans and receivables and other receivables recognised at the financial reporting date, which amounted to £40,481,000. At 31 July 2015, the Initial Portfolio Investor's maximum credit exposure to any one counterparty was £14,603,000.

The Initial Portfolio Investor mitigates credit risk by only entering into agreements related to loan instruments in which the operating strength of the investee companies is sufficient to support the loan amounts outstanding. This determination of whether the loan instruments are sufficiently supported is made by the executive team of the shareholder, and the executive team of the shareholder continues to evaluate the loan instruments in the context of these agreements.

Liquidity risk

Liquidity risk is defined as the risk that the Initial Portfolio Investor will encounter in realising assets or otherwise raising funds to meet financial commitments.

The Initial Portfolio Investor's loans and receivables vary from short-term (less than three months) in duration to longer-term loans with terms of up to seven years. 30 June 2018 is the latest maturity date of any loans and receivables.

The principal liquidity risk is contained in unmatched liabilities. In the opinion of the Directors, the current liquidity risk at 31 July 2015 was low as there were no unmatched liabilities.

10. Related party transactions

The Initial Portfolio Investor's immediate controlling party at the balance sheet date was GLI Finance Limited, the Initial Portfolio Investor's sole shareholder. There is no ultimate controlling party.

During the period ended 31 July 2015, the Initial Portfolio Investor acquired its portfolio, including accrued interest income, from GLI Finance Limited.

There were no other related party transactions during the period.

11. Events after the financial reporting date

The Company has entered into the Share Purchase Agreement with GLI Finance Limited pursuant to which it has agreed to acquire, conditional on First Admission, the entire issued share capital of the Initial Portfolio Investor from GLI Finance Limited. Under the Share Purchase Agreement, the Company will acquire the issued shares of the Initial Portfolio Investor at net asset value as at the date falling two days before First Admission valued in accordance with the methodology described in this document, in consideration for the Company issuing to GLI Finance Limited the Consideration Shares.

Part VIII

UK Taxation

Introduction

The following statements do not constitute tax advice and are intended only as a general guide to current UK tax law and the current published practice of HMRC as at the date of this document, both of which are subject to change at any time, possibly with retrospective effect. These statements may not apply to certain classes of investors who are subject to different tax rules. Such persons may include, but are not limited to, dealers in securities, insurance companies, collective investment schemes and shareholders who are exempt from UK taxation (or who hold their Shares in a NISA or a SIPP). The statements apply only to Shareholders that are resident (and in the case of individuals, domiciled) in the UK for UK tax purposes (except in so far as express reference is made to the treatment of non-UK residents), who hold Shares as an investment rather than trading stock, who are the absolute and direct beneficial owners of those Shares, and the dividends payable on them, and have not (and are not deemed to have) acquired their Shares by virtue of any office or employment (whether current, historic or prospective).

All potential investors, and 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 and/or C Shares under the laws of their country and/or state of citizenship, domicile or residence.

The Company

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

Approved investment trusts are able to elect to take advantage of modified UK tax treatment in respect of their “qualifying interest income” for an accounting period (referred to here as the “streaming” regime). Under such treatment, the Company may (assuming it is approved as an investment trust) designate as an “interest distribution” all or part of the amount it distributes to Shareholders as dividends, to the extent that it has “qualifying interest income” for the accounting period. Were the Company to designate any dividend it pays in this manner, it would be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period. It is expected that the Company will have material amounts of qualifying interest income and that it may, therefore, decide to designate some or all of the dividends paid in respect of a given accounting period as interest distributions. The Directors intend to conduct the Company’s business so that the Company has sufficient amounts of qualifying investment income, declares sufficient dividends and designates such dividends as deductible interest distributions so that no corporation tax is payable.

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

Shareholders

Taxation of dividends – individuals

(A) Dividends which are not designated as “interest distributions”

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

The Company will not be required to withhold tax at source when paying a dividend.

In the current tax year (2015/16) a UK resident individual Shareholder who receives a dividend from the Company will be entitled to a notional tax credit and will be liable to income tax on the sum of the tax credit and the dividend received (the “**gross dividend**”), which will be treated as the top slice of the individual’s income for UK income tax purposes. The tax credit is equal to 10 per cent. of the gross dividend.

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

In the case of a UK resident individual Shareholder who is liable to income tax at the higher rate (currently 32.5 per cent. for dividend income), or the additional rate (currently 37.5 per cent. for dividend income), the tax credit will be set against, but will not fully match, the Shareholder’s tax liability on the gross dividend.

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

The Government has announced its intention to abolish the dividend tax credit from April 2016 and to introduce a new dividend tax allowance of £5,000 a year. New rates of tax on dividend income are proposed; 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.

(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 would be treated as though they had received a payment of interest. 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., depending on the level of the Shareholder’s income. Such distributions would generally be paid to the individual Shareholder after the deduction of 20 per cent. income tax.

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

Taxation of dividends – companies

(A) Dividends which are not designated as “interest distributions”

Subject to the discussion of “interest distributions” below, Shareholders within the charge to UK corporation tax should generally be exempt from corporation tax on dividends paid by the Company in respect of their Shares so long as the dividends fall within an exempt class and certain conditions are met. Although it is likely that dividends paid by the Company on the Shares would qualify for exemption from corporation tax, it should be noted that the exemption is not comprehensive and is subject to anti-avoidance rules. Shareholders should therefore consult their own professional advisers where necessary.

(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, they would be subject to corporation tax on any such amounts received.

Regardless of whether the dividends are designated as “interest distributions” or not, dividends paid by the Company to a Shareholder which is a company (whether or not UK resident) should not generally be subject to any deduction at source of UK tax.

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.

Taxation of disposals

(A) *General*

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

UK resident individuals are, for each tax year, entitled to an exemption from capital gains tax for a specified amount of gains realised in that tax year. The current annual exempt amount (for the tax year 2015/16) is £11,100.

For Shareholders within the charge to corporation tax, indexation allowance may reduce the amount of any chargeable gain arising on a disposal of Shares (but cannot give rise to or increase the amount of an allowable loss).

Shareholders that are not resident in the UK for tax purposes (and not only temporarily non-resident) will not generally be subject to UK taxation of chargeable gains on a disposal of their Shares, provided that their Shares are not and have not been acquired, held or used in or for the purposes of any trade, profession or vocation carried on by the Shareholder in the UK through a branch, agency or permanent establishment. It should however be noted that, in certain circumstances, an individual Shareholder who is only temporarily non-UK resident may, on re-establishing UK tax residence, be subject to capital gains tax in respect of disposals which occurred in the period of temporary non-residence.

A Conversion of C Shares into new Ordinary Shares should, for the purposes of UK taxation of chargeable gains (or capital gains tax, for an individual shareholder), generally be treated as a reorganisation of the share capital of the Company. To the extent this treatment applies, the new Ordinary Shares will be treated as the same asset as the Shareholder's holding of C Shares and as having been acquired at the same time that the Shareholder's holding of C Shares was acquired. To that extent, the Conversion should not be treated as giving rise to a disposal of the Shareholder's holding of the C Shares.

(B) *Redemptions and buy-backs of Ordinary Shares*

A redemption or buy-back of Ordinary Shares by the Company which is not effected through the "matched bargain" mechanism will generally be treated for tax purposes as giving rise to both:

- (i) a disposal by the Shareholder of the Ordinary Shares for the purposes of UK capital gains tax or, in the case of corporate shareholders, corporation tax on chargeable gains; and
- (ii) to the extent that proceeds of the redemption or buy-back exceed the amount which is treated for tax purposes as paid-in share capital attributable to the Ordinary Shares, a distribution by the Company to the Shareholder (the "**distribution element**"). Shareholders should note that the amount treated for tax purposes as paid-in share capital attributable to the Ordinary Shares may be less than the amount paid by the Shareholder for those shares.

The distribution element will generally be taxed as if it were a dividend (please refer to the discussion above for further detail as to the tax treatment of dividends).

For UK resident individual Shareholders, this means that the distribution element will be subject to income tax. However, to the extent that the redemption or buy-back proceeds are subject to income tax in this way, they will not be taken into account in the capital gains tax calculation.

For UK resident corporate Shareholders, the distribution element should generally be exempt from corporation tax on income (provided that, as discussed above, the distribution falls into an exempt class and any other relevant conditions are met). In the case of a *redemption* of Ordinary Shares (but not a buy-back), this exempt distribution element would not generally fall to be taken into account in

computing any chargeable gains subject to corporation tax. In the case of a *buy-back* of Ordinary Shares, however, the exempt distribution element would generally fall to be taken into account in the calculation of any chargeable gains subject to corporation tax.

Shareholders should note that the discussion above in relation to redemptions and buy-backs of Ordinary Shares is general in nature and that there are a number of detailed rules which, depending on the circumstances, may affect the tax treatment of redemptions or buy-backs for particular Shareholders. The statements above may not apply to redemptions or buybacks effected through the “matched bargain” mechanism, which may instead fall to be treated as a normal sale to a third party in the market. Shareholders should therefore seek independent professional advice as to the tax consequences of any proposed redemption or buy-back of Ordinary Shares.

NISAs and SIPPs

Shares should qualify as investments which are eligible for inclusion in a NISA. This will include Shares acquired in the market or pursuant to the Intermediaries Offer (on the basis that the Intermediaries Offer will be open to the public). It should be noted, however, that Shares acquired directly through the Placing or under the Placing Programme would not be eligible for inclusion in a NISA.

Individuals wishing to invest in Shares through a NISA should contact their professional advisers regarding their eligibility.

The Directors have been advised that the Shares should also be eligible for inclusion in a SIPP subject to the discretion of the trustees of the SIPP.

Stamp Duty and Stamp Duty Reserve Tax

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

The Issue and the Placing Programme

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

Subsequent transfers of Shares

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

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

The liability to pay stamp duty or SDRT is normally satisfied by the purchaser or transferee.

Shares held through CREST

Paperless transfers of Shares within CREST are generally subject to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the system. Deposits of Shares into CREST will generally not be

subject to SDRT or stamp duty, unless the transfer into CREST is itself for consideration in money or money's worth, in which case a liability to SDRT will arise, usually at the rate of 0.5 per cent. of the amount or value of the consideration.

Shares held through clearance services or depositary receipt arrangements

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

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

Information reporting

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

Part IX

Additional Information about the Initial Portfolio Investor

1. The Initial Portfolio Investor

- 1.1 The Initial Portfolio Investor was incorporated as a non-cellular company limited by shares in Guernsey on 20 April 2015 with registered number 60205 under the name GLI Alternative Finance Guernsey Limited. The principal legislation under which the Initial Portfolio operates is the Companies (Guernsey) Law, 2008 (as amended) (the “**Companies Law**”). The Initial Portfolio Investor is domiciled in Guernsey. Its registered office address and principal place of business is Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 4NA and its telephone number is +44 (0)1481 737600.
- 1.2 The Initial Portfolio Investor currently has no employees.
- 1.3 The Initial Portfolio Investor has no subsidiaries as at the date of this document. Conditional upon First Admission, the entire issued share capital of the Initial Portfolio Investor will be acquired by the Company and the Initial Portfolio Investor will become a wholly owned subsidiary of the Company. The Initial Portfolio Investor is a newly incorporated entity and has done no business other than acquiring the Initial Portfolio. It has no other material assets or liabilities other than the Initial Portfolio.

2. Share Capital

- 2.1 As at 20 April 2015, the issued share capital of the Initial Portfolio Investor was:

	<i>Nominal Value (£)</i>	<i>Number</i>
Ordinary Shares	Nil	1

- 2.2 As at the Latest Practicable Date, since the date of its incorporation on 20 April 2015 (i) there has been no alteration in the share capital of the Initial Portfolio Investor, (ii) no share or loan capital of the Initial Portfolio Investor has been issued or agreed to be issued, or is now proposed to be issued for cash or any other consideration and (iii) no commissions, discounts, brokerages or other special terms have been granted by the Initial Portfolio Investor in connection with the issue or sale of any such capital and no share or loan capital of the Initial Portfolio Investor is under option or agreed, conditionally or unconditionally, to be put under option.

3. Articles of incorporation

The objects of the Initial Portfolio Investor are unlimited and are contained in the Initial Portfolio Investor’s memorandum of incorporation.

A summary of the main provisions of the articles of incorporation of the Initial Portfolio Investor are set out below:

3.1 *Variation of rights*

If at any time the share capital of the Initial Portfolio Investor is divided into different classes of shares, the rights attached to any class may be varied either with the consent in writing of the holders of three-quarters in value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class (but not otherwise). At every such separate general meeting the necessary quorum shall be at least two persons holding or representing by proxy at least one-third in value of the issued shares of the class in question (but at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum), any holder of shares of the class present in person or by proxy may demand a poll and every

such holder shall on a poll have one vote for every share of the class held by him. Where the rights of some only of the shares of any class are to be varied, the foregoing provisions apply as if each group of shares of the class differently treated formed a separate class whose rights are to be varied.

3.2 *Voting rights*

Subject to any rights or restrictions attached to any shares, on a show of hands every shareholder present in person has one vote and every proxy present who has been duly appointed by a shareholder entitled to vote has one vote, and on a poll every shareholder (whether present in person or by proxy) has one vote for every share of which he is the holder. In the case of joint holders, the vote of the senior who tenders a vote shall be accepted to the exclusion of the vote of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the Register.

3.3 *Transfer of shares*

A share may be transferred by an instrument of transfer, which may be in any usual form or in any other form approved by the directors, executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee.

The directors may, in their absolute discretion and without assigning any reasons therefor, refuse to register a transfer of any share to any person of whom they shall not approve as transferee. If the directors refuse to register a transfer of a share, they shall within one month after the date on which the transfer was lodged with the Initial Portfolio Investor send to the transferee notice of refusal.

3.4 *Directors' interests*

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

3.5 *Appointment of Directors*

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

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

3.6 *Powers of Directors*

The business and affairs of the Initial Portfolio Investor are managed by, or under the direction or supervision of its directors who may pay all expenses incurred in promoting and registering the Initial Portfolio Investor, and may exercise all such powers necessary for managing, and for directing and supervising the management of, the business and affairs of the Initial Portfolio Investor as are not, by applicable law or by its articles, required to be exercised by the Initial Portfolio Investor in general meeting, subject, nevertheless, to any of its memorandum, articles, the provisions of applicable law and to such regulations as may be prescribed by the Initial Portfolio Investor by special resolution; but no regulation made by the Initial Portfolio Investor may invalidate any prior act of its directors which would have been valid if that regulation had not been made.

3.7 *General meetings*

Unless special notice is required under the Companies Law, all general meetings shall be convened by not less than ten clear days' notice to all its members and to the auditors.

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

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

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

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

4. **Directors of the Initial Portfolio Investor**

4.1 In addition to their directorship of the Initial Portfolio Investor, the directors of the Initial Portfolio Investor hold or have held the following directorships and are or were members of the following partnerships, within the past 5 years:

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Geoff Miller	Afaafa Limited	Asset Management Investment
	BMS Equity Limited	Company Ltd
	BMS Finance AB Limited	Aurora Russia Limited
	Clarion ICC Limited	Clarion 1 IC Limited
	Clarion 5 IC Limited	Clarion 10 IC Limited
	Crowdshed Limited	Clarion 2 IC Limited
	Dansk Faktura Børs	Clarion 3 IC Limited
	Finexkap SAS	Clarion 4 IC Limited
	Finpoint Limited	Clarion 5 IC Limited
	Funding Knight Holdings Limited	Clarion 6 IC Limited
	Funding Options Limited	Clarion 7 IC Limited
	GLI Asset Management Limited	Clarion 8 IC Limited
	GLI Finance (UK) Ltd	Clarion 9 IC Limited
	GLI Finance Limited	Clarion Test Trade IC Limited
	GLIF BMS Holdings Limited	GLIF (GP) Limited
	Globalworth Investment Advisers Limited	Hastings Insurance Group Limited
	Globalworth Real Estate Investments Limited	Silkroutefinancial
	Green Street Holdings Limited	SmartMove Spain
	International Finance Development Company S.A., Holdings	Word Play Limited
	Liftforward Inc	

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Geoff Miller <i>(continued)</i>	Lombardia Capital Partners, Inc NVF Patents Limited Ovamba Solutions Inc Platform Black Limited Proplend Limited Raiseworks, LLC Sancus (Guernsey) Limited Sancus Gibraltar Holdings Limited Sancus Group Limited Sancus Holdings Limited Sancus IOM Holdings Limited Sancus Limited The Credit Junction Holdings Inc The Open Energy Group, Inc TradeRiver Finance Limited TradeRiver USA Inc	
Emma Stubbs	BMS Equity Limited GLI Asset Management Limited GLI Finance Limited Sancus Group Limited Finpoint Limited GLI Finance (UK) Limited NVF Patents Limited Liffforward, Inc	N/A

- 4.2 Within the period of five years preceding the date of this Prospectus none of the directors:
- 4.2.1 has any convictions in relation to fraudulent offences;
- 4.2.2 has been a director or senior manager (who is relevant to establishing that a company has the appropriate expertise and experience for the management of that company) of any company at the time of any bankruptcy, receivership or liquidation of such company; or
- 4.2.3 has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.
- 4.3 Geoff Miller and Emma Stubbs are principals of the Manager. Geoff Miller and Emma Stubbs are executive directors and shareholders of GLIF. Otherwise, none of the directors of the Initial Portfolio Investor has any potential conflicts of interest between their duties to the Initial Portfolio Investor and their private interests or duties.

5. Directors' and others' interests

- 5.1 As at the date of this document, the entire issued share capital of the Initial Portfolio Investor is held by GLIF. Accordingly, there is no difference in the voting rights of holders of the shares in the capital of the Initial Portfolio Investor.
- 5.2 The Initial Portfolio Investor's voting shares are held by GLIF, a related party to the Manager. The Initial Portfolio Investor is not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Initial Portfolio Investor.
- 5.3 As at the date of this document, insofar as known to the Initial Portfolio Investor, there are no parties known to have a notifiable interest under the laws of Guernsey in the Initial Portfolio Investor's capital or voting rights.

6. Directors' appointments and remuneration

- 6.1 Each of the directors of the Initial Portfolio Investor has served as a director of the Initial Portfolio Investor since the date of its incorporation.
- 6.2 There are no existing or proposed service contracts between any of the directors and the Initial Portfolio Investor. No benefits are payable upon termination of a director of the Initial Portfolio Investor's appointment and there are no amounts set aside or accrued by the Initial Portfolio Investor to provide pension, retirement or similar benefits.
- 6.4 The directors of the Initial Portfolio Investor do not receive any fees or other remuneration.

7. Material contracts

The Initial Portfolio Investor has not (i) entered into any material contracts (other than contracts in the ordinary course of business) since its incorporation; or (ii) entered into any contracts that contain provisions under which the Initial Portfolio Investor has any obligation or entitlement that is material to the Initial Portfolio Investor as at the date of this document.

8. Litigation

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

9. No significant change

As at the date of this document, there has been no significant change in the financial or trading position of the Initial Portfolio Investor since 31 July 2015, being the last date to which financial information about the Initial Portfolio Investor has been prepared.

10. Related party transactions

As set out in the historical financial information of the Initial Portfolio Investor in section B of Part 7 of this document, during the period ended 31 July 2015, the Initial Portfolio Investor acquired its portfolio, including accrued interest income, from GLIF. During the period ended 31 July 2015, GLIF bore the expenses of incorporating the Initial Portfolio Investor and all other costs of the Initial Portfolio Investor.

11. General

The Initial Portfolio Investor has given and not withdrawn its written consent to the publication of this document with the inclusion of its name and references to it in the form and context in which they appear.

12. Auditors

The auditors to the Initial Portfolio Investor are Baker Tilly UK Audit LLP of 25 Farringdon Street, London, EC4A 4AB. Baker Tilly UK Audit LLP is registered to carry on audit work by The Institute of Chartered Accountants of Scotland (ICAS).

13. Documents on display

The following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH until 31 August 2016: (i) this document and (ii) the Initial Portfolio Investor's memorandum and articles of incorporation.

Part X

Additional Information about the Company

1. The Company and the Manager

- 1.1 The Company was incorporated in England and Wales as a public limited company on 13 July 2015. The Company is registered as an investment company under section 833 of the Act with registered number 09682883. The Company has received a certificate under section 761 of the Act entitling it to commence business and to exercise its borrowing powers. Since its incorporation the Company has not commenced operations (other than entry into of the material contracts referred to at paragraph 7 of this Part X), has not declared any dividend, and no financial statements have been made up. The Company is domiciled in England and Wales and currently has no employees.
- 1.2 The Company has no subsidiaries as at the date of this document. The principal activity of the Company is to invest in alternative finance investments, with a view to achieving the Company's investment objective. On First Admission, the Initial Portfolio Investor will become a wholly owned subsidiary of the Company. The Initial Portfolio Investor is newly incorporated and has done no business other than acquiring the Initial Portfolio and has no other material assets or liabilities than the Initial Portfolio.
- 1.3 The Company operates under the Act and is not regulated as a collective investment scheme by the FCA. Its registered office and principal place of business is 1 Finsbury Circus, London EC2M 7SH, United Kingdom. The Company's telephone number is +44 207 329 4422.
- 1.4 The Company is a Guernsey registered closed-ended investment scheme registered pursuant to the POI Law and the Registered Collective Investment Scheme Rules 2015 issued by the GFSC (GFSC reference number 2266249).
- 1.5 As a Company with its shares admitted to trading on the London Stock Exchange (Specialist Fund Market), the Company will be subject to the Prospectus Rules and the Disclosure and Transparency Rules and to the rules of the London Stock Exchange. In addition, the Directors have resolved that, as a matter of best practice and good corporate governance, the Company will comply with certain key provisions of the Listing Rules. Further details of the Company's voluntary compliance with the Listing Rules is set out on pages 35 to 36 of this document.
- 1.6 The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. In summary, the conditions that must be met for approval by HMRC for any given accounting period as an investment trust are that:
 - the Company is not a close company at any time during the accounting period for which approval is sought;
 - the Company is resident in the UK throughout that accounting period;
 - the Company's ordinary share capital is admitted to trading on a regulated market throughout the accounting period; and
 - the Company must not retain in respect of the accounting period an amount greater than the higher of: (a) 15 per cent. of its income for the period; and (b) the amount of any income which the Company is required to retain in respect of the period by virtue of a restriction imposed by law. However, where the Company has relevant accumulated losses brought forward from previous accounting periods of an amount equal to or greater than the higher of the amounts mentioned in (a) and (b) above, it may retain an amount equal to the amount of such losses.

- 1.7 The Manager is a non-cellular company limited by shares registered under the laws of Guernsey with registered number 60362. The address of the registered office of the Manager is Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 4NA and its telephone number is +44 (0) 1481 708 280. As the Company's AIFM, the Manager will cover potential professional liability risks resulting from its activities as AIFM by holding professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered, in accordance with the AIFM Rules.

2. Share Capital

- 2.1 On incorporation, the issued share capital of the Company was £50,000 represented by 50,000 Management Shares of nominal value of £1.00 each, which were subscribed for by the Manager.

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

	<i>Nominal Value (£)</i>	<i>Number</i>
Management Shares	50,000	50,000

The Management Shares are paid up as to one quarter of their nominal value. To enable the Company to obtain a certificate of entitlement to conduct business and to borrow under Section 761 of the Act, on 13 July 2015, 50,000 Management Shares were allotted to the Manager against its irrevocable undertaking to pay £1.00 in cash for each such share on or before the date of First Admission (unless First Admission does not become effective by 31 October 2015, in which case the Manager undertook to pay up or procure payment of, one quarter of the nominal value of all such shares in cash on or before 31 October 2015 and the balance on demand thereafter). The Management Shares will be paid up in full on First Admission.

- 2.3 Set out below is the issued share capital of the Company as it will be following the Issue (assuming that the Issue is subscribed as to the minimum Gross Proceeds of £45 million):

	<i>Nominal Value (£)</i>	<i>Number</i>
Ordinary Shares*	449,500	44,950,000
Management Shares	50,000	50,000

* (including the Consideration Shares)

All Ordinary Shares will be fully paid.

- 2.4 By resolutions passed on 28 August 2015:

- (A) the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £1,000,000 in connection with the Issue, such authority to expire immediately following First Admission, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired;
- (B) the Directors were generally empowered (pursuant to section 570 of the Act) to allot Ordinary Shares for cash pursuant to the authority referred to in paragraph 2.4(A) above as if section 561 of the Act did not apply to any such allotment, such power to expire immediately following First Admission, save that the Company may before such expiry make an offer or agreement which would or might require Ordinary Shares to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power had not expired;

- (C) the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot up to 200 million Ordinary Shares and/or C Shares in aggregate, such authority to expire at the conclusion of the first annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired;
 - (D) the Directors were empowered (pursuant to sections 570 and 573 of the Act) to allot Ordinary Shares and C Shares and to sell Ordinary Shares and C Shares from treasury for cash pursuant to the authority referred to in paragraph 2.4C above as if section 561 of the Act did not apply to any such allotment or sale, such power to expire at the conclusion of the first annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or an agreement as if such power had not expired;
 - (E) the Company was authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares, provided that the maximum number of Ordinary Shares authorised to be purchased is 14.99 per cent. of the issued Ordinary Shares following the conclusion of the Issue. The minimum price which may be paid for an Ordinary Share is £0.01. The maximum price which may be paid for an Ordinary Share must not be more than the higher of (i) 5 per cent. above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made or (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares. Such authority will expire on the earlier of the conclusion of the first annual general meeting of the Company and the date 18 months after the date on which the resolution was passed save that the Company may contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase its Ordinary Shares in pursuance of such contract;
 - (F) the Company resolved that, conditional upon First Admission and the approval of the Court, the amount standing to the credit of the share premium account of the Company immediately following completion of the Issue be cancelled; and
 - (G) in accordance with Article 80 of the articles of association of the Company, the period of notice for the convening of a general meeting of the Company (other than an annual general meeting) be and is hereby reduced to at least 14 clear days' notice in writing.
- 2.5 In accordance with the authority referred to in paragraph 2.4A above, it is expected that the Ordinary Shares in respect of the Issue will be allotted pursuant to a resolution of the Board to be passed shortly before, and conditional upon, First Admission.
- 2.6 The provisions of section 561 of the Act (which, to the extent not disapplied pursuant to section 570 of the Act, confer on Shareholders rights of pre-emption in respect of the allotment or sale of equity securities for cash) shall apply to any unissued share capital of the Company, except to the extent disapplied by the resolutions referred to in paragraph 2.4(B) and (D) above.
- 2.7 Save as disclosed in this paragraph 2, since the date of its incorporation (i) there has been no alteration in the share capital of the Company, (ii) no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued for cash or any other consideration and (iii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital and no share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option.

- 2.8 The Ordinary Shares, expected to be issued on 23 September 2015 in the case of the Issue and the Ordinary Shares and/or C Shares expected to be issued in the period from 1 September 2015 to 31 August 2016 in the case of the Placing Programme, will be in registered form. Temporary documents of title will not be issued.

3. Articles of Association

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

3.1 *Objects*

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

3.2 *Variation of rights*

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

3.3 *Alteration of share capital*

The Company may by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;
- (b) sub-divide its shares, or any of them, into shares of smaller nominal value than its existing shares; and
- (c) determine that, as between the shares resulting from such a sub-division, one or more shares may, as compared with the others, have any such preferred, deferred or other rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.

3.4 *Issue of shares*

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

3.5 *Dividends*

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

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

3.6 *Voting rights*

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

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

3.7 *Transfer of shares*

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

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

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

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

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

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

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as “plan assets” of any Benefit Plan Investor; (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment

advisers being required to be registered or qualified under the US Investment Company Act and/or the Investment Advisers Act and/or the US Securities Act of 1933 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 Directors may declare the Shareholder in question a “Non-Qualified Holder” and the Directors may require that any shares held by such Shareholder (“Prohibited Shares”) shall (unless the Shareholder concerned satisfies the Directors that he is not a Non-Qualified Holder) be transferred to another person who is not a Non-Qualified Holder, failing which the Company may itself dispose of such Prohibited Shares at the best price reasonably obtainable and pay the net proceeds to the former holder.

3.8 *Distribution of assets on a winding-up*

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

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

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

3.10 *Untraced shareholders*

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

3.11 *Appointment of Directors*

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

Subject to the Articles, the Company may by ordinary resolution appoint a person who is willing to act as, and is permitted by law to do so, to be a Director either to fill a vacancy or as an additional Director. The Directors may appoint a person who is willing to act, and is permitted by law to do so, to be a Director, either to fill a vacancy or as an additional Director. A person appointed as a Director

by the other Directors is required to retire at the Company's next annual general meeting and shall then be eligible for reappointment.

3.12 ***Powers of Directors***

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

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

3.13 ***Voting at board meetings***

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

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

3.14 ***Restrictions on voting***

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

3.15 ***Directors' interests***

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

3.16 ***Indemnity***

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

3.17 ***General meetings***

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

than fourteen clear days has been passed in which case a general meeting may be convened by not less than fourteen clear days' notice in writing.

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

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

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

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

A poll on a resolution may be demanded at a general meeting either before a vote on a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared. A poll may be demanded by the Chairman or by: (a) not less than two members having the right to vote at the meeting; or (b) a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or (c) a member or members holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

3.18 *C Shares and Deferred Shares*

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

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

Calculation Date means the earliest of the:

- (i) close of business on the date to be determined by the Directors occurring not more than 10 Business Days after the day on which the 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 Manager shall agree) shall have been invested; or
- (ii) close of business on the date falling six calendar months after the allotment of the C Shares or if such a date is not a Business Day the next following Business Day; or
- (iii) close of business on the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent;

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

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

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

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

Where:

C is the aggregate of:

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

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

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

F is the aggregate of:

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

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

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

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

Deferred Shares means deferred shares of £0.01 each in the capital of the Company arising on Conversion;

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

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

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

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

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

- (II) The holders of the Ordinary Shares, the Management 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 first such dividend (adjusted *pro rata temporis*) (the “**Deferred Dividend**”) being payable on the date six months after the Conversion Date on which such Deferred Shares were created in accordance with paragraph (VIII) (the “**Relevant Conversion Date**”) and on each anniversary of such date payable to the holders thereof on the register of members on that date as holders of Deferred Shares but shall confer no other right, save as provided herein, on the holders thereof to share in the profits of the Company. The Deferred Dividend shall not accrue or become payable in any way until the date six months after the Conversion Date and shall then only be payable to those holders of Deferred Shares registered in the register of members of the Company as holders of Deferred Shares on that date. It should be noted that given the proposed repurchase of the Deferred Shares as described below, it is not expected that any dividends will accrue or be paid on such shares;
 - (b) a holder of C Shares 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) a holder of Management Shares shall be entitled (in priority to any payment of dividend on any other class of share) to a fixed cumulative preferential dividend of 0.01 per cent. per annum on the nominal amount of the Management Shares held by him, such dividend to accrue annually and to be payable in respect of each accounting reference period of the Company within 21 days of the end of such period (but the Management Shares shall confer no other rights on the holders thereof to participate in the profits of the Company, save as provided herein in respect of capital);

- (d) the Existing Ordinary Shares shall confer the right to dividends declared in accordance with the Articles;
 - (e) 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
 - (f) no dividend or other distribution shall be made or paid by the Company on any of its shares (other than any Deferred Shares or Management Shares for the time being in issue) between the Calculation Date and the Conversion Date relating to such C Shares (both dates inclusive) and no such dividend shall be declared with a record date falling between the Calculation Date and the Conversion Date (both dates inclusive).
- (III) The holders of the Ordinary Shares, the Management Shares, the C Shares and the Deferred Shares shall subject to the provisions of the Articles, have the following rights as to capital:
- (a) the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) at a time when any C Shares are for the time being in issue and prior to the Conversion Date be applied, 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 first, amongst the holders of management shares *pro rata* according to the nominal capital paid up on their holdings of Management Shares and, second, amongst the existing holders of Ordinary Shares *pro rata* according to the nominal capital paid up on their holdings of Existing Ordinary Shares **provided** however that the holders of the Management Shares shall only receive an amount up to the capital paid up on such Management Shares and the Management Shares shall not confer the right to participate in any surplus remaining following payment of such amount. For the purposes of this paragraph (III)(a) the Calculation Date shall be such date as the liquidator may determine; and
 - (b) the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) at a time when no C Shares are for the time being in issue be applied as follows:
 - (i) first, if there are Deferred Shares in issue, in paying to the deferred shareholders £0.01 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, first, amongst the management shareholders *pro rata* according to the nominal capital paid up on their holdings of Management Shares and, second, amongst the holders of Ordinary Shares *pro rata* according to the nominal capital paid up on their holdings of Ordinary Shares provided however that the holders of the Management Shares shall only receive an amount up to the capital paid up on such Management Shares and the Management Shares shall not confer the right to participate in any surplus remaining following payment of such amount.
- (IV) As regards voting:
- (a) the C Shares shall carry the right to receive notice of and to attend and vote at any general meeting of the Company. The voting rights of holders of C Shares will be the same as that applying to holders of Existing Ordinary Shares as set out in the Articles as if the C Shares and Existing Ordinary Shares were a single class; and

- (b) the Deferred Shares and the Management Shares shall not carry any right to receive notice of nor to attend or vote at any general meeting of the Company unless, in the case of the Management Shares, no other shares are in issue at that time.
- (V) The following shall apply to the Deferred Shares:
 - (a) the C Shares shall be issued on such terms that the Deferred Shares arising upon Conversion (but not the Ordinary Shares arising on Conversion) may be repurchased by the Company in accordance with the terms set out herein;
 - (b) immediately upon Conversion, the Company shall repurchase all of the Deferred Shares which arise as a result of Conversion for an aggregate consideration of one pence for every 1,000,000 Deferred Shares and the notice referred to in paragraph (VIII)(b) below shall be deemed to constitute notice to each C Shareholder (and any person or persons having rights to acquire or acquiring C Shares on or after the Calculation Date) that the Deferred Shares shall be repurchased immediately upon Conversion for an aggregate consideration of one pence for each holding of 1,000,000 Deferred Shares. On repurchase, each Deferred Share shall be treated as cancelled in accordance with section 706 of the Act without further resolution or consent; and
 - (c) the Company shall not be obliged to: (i) issue share certificates to the deferred shareholders in respect of the Deferred Shares; or (ii) account to any deferred shareholder for the repurchase moneys in respect of such Deferred Shares.
- (VI) Without prejudice to the generality of the Articles, for so long as any C Shares are for the time being in issue it shall be a special right attaching to the Existing Ordinary Shares as a class and to the C Shares as a separate class that without the sanction or consent of such holders given in accordance with the Company's Articles:
 - (a) no alteration shall be made to the Articles of the Company;
 - (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:

 - (i) the issue of further Ordinary Shares ranking *pari passu* in all respects with the Existing Ordinary Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Existing Ordinary Shares by the issue of such further Ordinary Shares); or
 - (ii) the sale of any shares held as treasury shares (as such term is defined in section 724 of the Act) in accordance with sections 727 and 731 of the Act or the purchase or redemption of any shares by the Company (whether or not such shares are to be held in treasury).
- (VII) For so long as any C Shares are for the time being in issue, until Conversion of such C Shares and without prejudice to its obligations under applicable laws the Company shall:
 - (a) procure that the Company's records, and bank and custody accounts shall be operated so that the assets attributable to the C Shares can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall, without prejudice to any obligations pursuant to applicable laws, procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be

created and maintained in the books of the Company for the assets attributable to the C Shares;

- (b) allocate to the assets attributable to the C Shares such proportion of the income, expenses and liabilities of the Company incurred or accrued between the date on which the Company first receives the Net Proceeds and the Calculation Date relating to such C Shares (both dates inclusive) as the Directors fairly consider to be attributable to the C Shares; and
- (c) give appropriate instructions to the Manager to manage the Company's assets so that such undertakings can be complied with by the Company.

(VIII) The C Shares for the time being in issue shall be sub-divided and converted into Ordinary Shares and Deferred Shares on the Conversion Date in accordance with the following provisions of this paragraph (VIII):

- (a) the Directors shall procure that within 10 Business Days of the Calculation Date:
 - (i) the Conversion Ratio as at the Calculation Date and the numbers of Ordinary Shares and Deferred Shares to which each C Shareholder shall be entitled on Conversion shall be calculated; and
 - (ii) the Auditors shall be requested to confirm that such calculations as have been made by the Company have, in their opinion, been performed in accordance with the Articles and are arithmetically accurate whereupon such calculations shall become final and binding on the Company and all holders of the Company's shares and any other securities issued by the Company which are convertible into the Company's shares, subject to the proviso immediately after the definition of H in paragraph (I) above.
- (b) The Directors shall procure that, as soon as practicable following such confirmation and in any event within 10 Business Days of the Calculation Date, a notice is sent to each C shareholder advising such C 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 £0.001 each and such conversion shares of £0.001 each shall automatically convert into such number of Ordinary Shares and Deferred Shares as shall be necessary to ensure that, upon such Conversion being completed:
 - (i) the aggregate number of Ordinary Shares into which the same number of conversion shares of £0.001 each are converted equals the number of C Shares in issue on the Calculation Date multiplied by the Conversion Ratio (rounded down to the nearest whole Ordinary Share); and
 - (ii) each conversion share of £0.001 which does not so convert into an Ordinary Share shall convert into one Deferred Share.
- (d) The Ordinary Shares and Deferred Shares arising upon Conversion shall be divided amongst the former C Shareholders pro rata according to their respective former holdings of C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to Ordinary Shares and Deferred Shares arising upon Conversion including, without prejudice to the generality of the foregoing, selling any Ordinary Shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company).

- (e) Forthwith upon Conversion, the share certificates relating to the C Shares shall be cancelled and the Company shall issue to each former C Shareholder new certificates in respect of the Ordinary Shares which have arisen upon Conversion to which he or she is entitled. Share certificates in respect of the Deferred Shares will not be issued.
- (f) The Directors may make such adjustments to the terms and timing of Conversion as they in their discretion consider are fair and reasonable having regard to the interests of all Shareholders.

3.19 *Life*

The Company has been incorporated with an unlimited life. However, in the event that the Ordinary Shares have been trading at a daily discount to NAV of greater than 10 per cent. for three consecutive months (calculated on a rolling three monthly average of daily numbers), the Company shall convene, within 30 days of the above having occurred, a general meeting to propose to Shareholders the Continuation Resolution. If the Continuation Resolution is not passed, the Board will draw up proposals for the winding-up or reconstruction of the Company for submission to Shareholders as a special resolution at a further general meeting to be convened by the Board for a date not more than 90 days after the date of general meeting at which the Continuation Resolution was not passed. If the Continuation Resolution is passed the Directors shall not be obliged to convene any further general meeting pursuant to these provisions for at least 12 months from the date on which a Continuation Resolution is passed.

4. **City Code on Takeovers and Mergers**

4.1 *Mandatory bid*

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

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

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding Shares at a price not less than the highest price paid for any interests in the Shares by the acquirer or its concert parties during the previous 12 months.

Prospective investors in the Company should be aware that, immediately following First Admission, the Major Shareholder will hold not less than 30 per cent. of the Company's voting share capital and may, accordingly, be able to increase its aggregate shareholding in the Company without incurring any obligation under the Takeover Code to make a general offer.

4.2 *Compulsory Acquisition*

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

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

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

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

5.1 The Directors intend to subscribe for Ordinary Shares pursuant to the Placing in the amounts set out below:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Per cent. of issued Ordinary Share capital*</i>
Norman Crighton	20,000	0.04
David Stevenson	10,000	0.02

* Assuming that the Issue is subscribed as to the minimum Gross Proceeds of 45 million Ordinary Shares

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

Geoff Miller, the chairman and executive director of the Manager intends to subscribe for 50,000 Ordinary Shares in the capital of the Company pursuant to the Placing.

5.2 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. The Directors are subject to retirement by rotation in accordance with the Articles but all Directors intend to voluntarily stand for re-election at each annual general meeting.

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

5.3 The Directors' current level of remuneration is £25,000 per annum for each Director other than the Chairman, who receives £35,000 per annum. The Director serving as the chairman of the Audit and Valuation Committee is entitled to additional fees for serving on such committee. There are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits.

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

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

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Norman Crighton	Global Fixed Income Realisation Ltd Private Equity Investor plc Universal Umwelt Ltd Weiss Korea Opportunity Fund Ltd	Big Bear Productions Limited Rangers International Football Club plc The Rangers Football Club Limited Trading Emissions plc World Firsts Organization Ltd
David Stevenson	321 Publishing and TV Limited AltFi Data Limited AltFi Limited Investment Compass Limited Planet Yomp Limited Portfolio Review Limited Rocket Science TV Limited Rockit Media Limited Stockmarkets Digest Limited Wealthview Limited	Coalition Partners Limited Irichmedia Limited M & E Supervision (2006) Limited M & E Supervision Limited Rocket Science Business TV Limited Rocket Science Events Limited Vidualise Limited Watering Hole Media Limited Wild Wiki Limited
Nick Brind	N/A	N/A
Richard Hills	Aztec Financial Services (Guernsey) Ltd Aztec Group Limited Darley Energy plc Engandscot Limited Henderson Global Trust plc JPMorgan Income & Capital Trust plc Strategic Equity Capital plc	Aberdeen New Dawn Investment Trust plc Argyll Investment Services UK Limited Cinven Limited European Masters Fund Ltd Phaunos Timber Fund Ltd Stockbridge Consultancy Limited

5.6 The Directors, in the five years before the date of this document:

- do not have any convictions in relation to fraudulent offences;
- have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

5.7 As at the date of this document, insofar as known to the Company, there are no parties known to have a notifiable interest under English law in the Company's capital or voting rights.

5.8 Save as set out in the Relationship Agreement, all Shareholders will have the same voting rights in respect of the share capital of the Company.

5.9 Save as disclosed above, the Company and the Directors are not aware of (i) any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company, nor (ii) any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

5.10 The Company has not entered into any related party transaction at any time since incorporation.

- 5.11 None of the Directors has any conflict of interest or potential conflicts of interest between any duties to the Company and his private interests and any other duties. The Manager, any of its directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an “Interested Party”) may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest.
- 5.12 There are no other subscriptions, allotments or options to be given, or already existing, in respect of any securities of the Company, including any that have a prior right over the securities being offered in accordance with the terms of this document.

6. Investment restrictions

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

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

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

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

7. Material contracts

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

7.1 *Placing Agreement*

Under the Placing Agreement between the Company, the Manager, the Directors, GLIF and N+1 Singer dated 1 September 2015, N+1 Singer has undertaken, as agent for the Company, to use its reasonable endeavours to procure subscribers under the Placing for Ordinary Shares at the Issue Price, to use its reasonable endeavours to procure subscribers under the Placing Programme for Shares at the Placing Programme Price and to act as the intermediaries offer adviser in respect of the Intermediaries Offer.

In the event of oversubscription of the Intermediaries Offer or of a Subsequent Placing, applications under the Intermediaries Offer or under a Subsequent Placing N+1 Singer, the Company and the Manager shall together determine the extent to which such subscriptions will be scaled back.

Completion of the Placing and the Intermediaries Offer and the obligations of N+1 Singer under the Placing Agreement in respect of the Placing and the Intermediaries Offer are conditional upon, *inter alia*, the Ordinary Shares to be issued pursuant to the Placing and the Intermediaries Offer being admitted to trading on the London Stock Exchange (Specialist Fund Market) by 8.00 a.m. on 23 September 2015 (or such later date and time as N+1 Singer, the Manager and the Company agree but in any event not later than 8.00 a.m. on 31 October 2015).

N+1 Singer is entitled to receive a corporate finance fee of £250,000 and a commission of an amount equal to 1.5 per cent. of the Gross Proceeds, each payable on First Admission. In respect of any Subsequent Admission, N+1 Singer shall be entitled to receive a commission of an amount equal to 2 per cent. of the Placing Programme Gross Proceeds raised in connection with each Subsequent Placing pursuant to the Placing Programme, payable immediately upon each relevant Subsequent Admission.

Under the Placing Agreement, which may be terminated by N+1 Singer in certain circumstances prior to First Admission or any Subsequent Admission, the Company and the Manager have given certain warranties and indemnities to N+1 Singer. These warranties and indemnities are customary for an agreement of this nature.

Under the Placing Agreement, N+1 Singer may at its discretion and out of its own resources at any time rebate to some or all investors, or to other parties, part or all of its fees relating to the Placing and Intermediaries Offer and/or the Placing Programme. N+1 Singer is also entitled under the Placing Agreement to retain agents and may pay commission in respect of the Placing and Intermediaries Offer and/or the Placing Programme to any or all of those agents out of its own resources.

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

7.2 *Intermediaries Agreement*

The Company, N+1 Singer and the Intermediaries who have been appointed by the Company prior to the date of this document have entered into an intermediaries agreement dated 1 September 2015 pursuant to which the Intermediaries agree that, in connection with the Intermediaries Offer, they will be acting as agent for their Underlying Applicants.

None of the Company, N+1 Singer or any of their respective representatives will have any liability to the Intermediaries for liabilities, costs or expenses incurred by the Intermediaries in connection with the Intermediaries Offer.

N+1 Singer agrees, as intermediaries offer adviser, to coordinate applications from the Intermediaries under the Intermediaries Offer. Determination of the number of Ordinary Shares offered will be determined solely by the Company (following consultation with N+1 Singer and the Manager). Allocations to Intermediaries will be determined solely by the Company (following consultation with N+1 Singer and the Manager).

The Intermediaries agree to procure the investment of the maximum number of Ordinary Shares which can be acquired at the Issue Price for the sum applied for by such Intermediaries on behalf of their respective Underlying Applicants. It is a term of the Intermediaries Offer that each Underlying Applicant must apply for such number of Ordinary Shares as results in a minimum consideration payment by such Underlying Applicant of £1,000 and thereafter in multiples of £1. Allocations to Intermediaries will be determined solely by the Company (following consultation with N+1 Singer and the Manager). The Intermediaries agree to take reasonable steps to ensure that they will not make more than one application per Underlying Applicant.

Conditional upon Admission, N+1 Singer agrees to pay to each Intermediary (out of the commission that is paid to it pursuant to the Placing Agreement) either (i) a commission equal to 0.5 per cent. of the aggregate value of the Ordinary Shares allocated to and paid for by the Intermediary (where the payment of such commission is not prohibited), or (ii) a payment in connection with the administering of corporate actions and/or advertising in relation to the Intermediaries Offer subject to a cap equal to 0.5 per cent. of the aggregate value of the Ordinary Shares allocated to and paid for by the Intermediary, as the Intermediary shall elect.

The Intermediaries give certain undertakings regarding their use of information in connection with the Intermediaries Offer. The Intermediaries also give undertakings regarding the form and content of written and oral communications with clients and other third parties and the Intermediaries also give representations and warranties which are relevant for the Intermediaries Offer, and indemnify the

Company and N+1 Singer and their respective representatives against any loss or claim arising out of any breach by them of the agreement or of any duties or obligations under FSMA or under any rules of the FCA or any applicable laws or as a result of any other act or omission by the Intermediary in connection with the subscription for and/or resale of Ordinary Shares by the Intermediaries or any Underlying Applicant.

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

7.3 **Management Agreement**

Under the Management Agreement dated 1 September 2015 between the Company and the Manager, the Manager is appointed to act as investment manager and AIFM of the Company with responsibility for portfolio management and risk management of the Company's investments.

Under the terms of the Management Agreement, the Manager is entitled to a management fee together with reimbursement of all reasonable costs and expenses incurred by it in the performance of its duties. Details of the management fee to which the Manager is entitled are set out in Part III of this document under the sub-heading "*On-going annual expenses*". The Manager is not entitled to a performance fee.

The Management Agreement shall continue in force unless and until terminated by either the Manager or the Company giving to the other not less than 12 months' prior written notice to terminate the same, such notice not to expire prior to the third anniversary of First Admission. The Management Agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency or material and continuing breach.

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

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

7.4 **Share Purchase Agreement**

Under the Share Purchase Agreement, dated 1 September 2015, between the Company and GLIF, the Company has agreed to acquire the issued share capital of the Initial Portfolio Investor at the net asset value per share of those shares on the Initial Portfolio Valuation Date, in consideration for the allotment and issue, fully paid, of the relevant number of Consideration Shares by the Company to GLIF.

The Share Purchase Agreement is conditional on First Admission and GLIF complying with its obligations as set out in the Share Purchase Agreement in relation to the conduct and operation of the Initial Portfolio Investor between the date of execution of the Share Purchase Agreement and completion of the sale and purchase of the shares in the Initial Portfolio Investor.

Pursuant to the terms of the Share Purchase Agreement, GLIF makes a number of warranties as to the sale of the shares in the Initial Portfolio Investor, including a warranty that the Initial Portfolio Investor has no liabilities and is the legal and beneficial owner of the loan assets comprising the Initial Portfolio.

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

7.5 **Relationship Agreement**

On 1 September 2015 the Major Shareholder, the Company and N+1 Singer entered into the Relationship Agreement to manage the relationship between the Major Shareholder and the Company so as to ensure that, *inter alia*, following First Admission (i) the Company is able to carry on its business independently of the Major Shareholder; and (ii) all transactions and relationships between the Company and the Major Shareholder are on an arm's length basis.

Under the terms of the Relationship Agreement, the Major Shareholder has agreed that it shall not, and shall procure that no member of its group shall, acquire any further interest in Shares where such

additional interest would (i) mean that the aggregate interest of the Major Shareholder and its group exceeds 90 per cent. of the issued share capital of the Company or (ii) in the event that the Major Shareholder holds an interest in Shares representing not more than 50 per cent. of the Company's issued share capital, trigger an obligation for the Major Shareholder to make a bid for the remaining Shares not held by the Major Shareholder or any member of its group, pursuant to Rule 9 of the Takeover Code.

The Major Shareholder has also undertaken that, *inter alia*, it shall (i) comply with the Company's related party policy as set out in this document, (ii) not exercise its voting rights in favour of any resolution which would, if passed, have the effect that the Company is not capable of carrying on its business or making decisions independently, (iii) not exercise its voting rights in favour of any resolution which would, if passed, have the effect that variations are made to the Company's Articles which would be contrary to the maintenance of the Company's independence, (iv) not propose or procure the proposal of a shareholders' resolution which is intended to effect any cessation of trading of the Company's Shares on the Specialist Fund Market of the London Stock Exchange (or any other stock exchange on which the Shares may be trading) or vote in favour of any such resolution unless a majority of the independent Directors have voted in favour of such a proposal or recommend that shareholders vote in favour of such proposal (or as part of certain offers to acquire the entire issued share capital of the Company), (v) not propose or procure the proposal, of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of those of the Listing Rules with which the Company has voluntarily chosen to comply and (vi) not take any action that would have the effect of preventing the Company from complying with those obligations of the Listing Rules with which the Company has voluntarily chosen to comply or the Disclosure and Transparency Rules.

The Major Shareholder shall promptly notify the Company and N+1 Singer of any actual or potential transaction, dealing or relationship between it, its associates or the Company and shall use its reasonable endeavours to ensure that such transaction, dealing or relationship shall be conducted on arm's length terms and on a normal commercial basis.

The Relationship Agreement is conditional upon First Admission occurring and will terminate automatically if First Admission does not occur or becomes incapable of occurring on or before 31 October 2015 (or such other later date as may be agreed in writing between the Company, the Major Shareholder and N+1 Singer). Otherwise, the Relationship Agreement shall remain in full force and effect for the longer of: (i) the period that the share capital of the Company remains admitted to trading on the Specialist Fund Market or (ii) fifty years from the date of First Admission.

7.6 **Administration Agreement**

Under the Administration Agreement between the Company and the Administrator dated 1 September 2015, the Administrator has agreed to provide certain administration and secretarial services to the Company. Under the agreement, the Administrator will provide, *inter alia*, general fund administration services (including calculation of the monthly NAV), book-keeping and accounts preparation services.

Under the terms of the Administration Agreement, the Administrator is entitled to a one-off fee of £25,000, condition upon First Admission. Thereafter, an administration fee of £100,000 per annum shall be payable by the Company to the Administrator quarterly in arrears. This fee shall be subject to an annual increase on the first day of January in each year for the term of the Administration Agreement in line with the most recently published annual percentage change in the Retail Prices Index (provided that should the Retail Price Index fall, the administration fee shall not be reduced but shall remain unchanged). The Company shall also pay the Administrator a time based fee for the placing, settlement and associated administration of investment transactions as agreed in writing from time to time. The Administrator is entitled to reimbursement of all reasonable out of pocket expenses properly incurred by it in connection with its duties.

The agreement shall remain in force unless and until terminated by either party on not less than six months' notice in writing, such notice not to expire prior to the second anniversary of First Admission. The agreement may be terminated forthwith on notice in writing in the event of certain circumstances, including material and continuing breach of the agreement or insolvency.

The Company has agreed to indemnify the Administrator from and against any and all liabilities, obligations, losses, damages, suits and expenses which may be incurred by or asserted against the Administrator in connection with the provision of its services under the Administration Agreement, other than by reason of negligence, wilful default or fraud on the part of the Administrator and other than expenses incurred by the Administrator for which it is solely responsible in accordance with the terms of the Administration Agreement.

The Administration Agreement is governed by the laws of Guernsey.

7.7 Registrar Agreement

Under the Registrar Agreement between the Company and the Registrar dated 1 September 2015, the Registrar has been appointed as registrar to the Company. The Registrar shall be entitled to receive an annual maintenance fee from the Company of £2.00 per Shareholder account, subject to an annual minimum charge of £3,500 (exclusive of any VAT). The Registrar shall also be entitled to reimbursement of all reasonable out of pocket expenses properly incurred on behalf of the Company.

The Registrar Agreement limits the Registrar's liability thereunder to the lesser of £500,000 or an amount equal to five times the annual fee payable to the Registrar pursuant to the Registrar Agreement. The Company indemnifies the Registrar and its affiliates against all claims arising out of or connected to the Registrar Agreement, save in the case of fraud, wilful default or negligence on the part of the Registrar or its affiliates.

Either party may terminate the Registrar Agreement on not less than 90 days' notice in writing to the other party, such notice not to expire prior to the first anniversary of First Admission. Either party may terminate the Registrar Agreement immediately on notice in writing in the event of material and continuing breach or insolvency.

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

7.8 Custody Agreement

Under the Custody Agreement between the Company and the Custodian dated 1 September 2015, the Custodian is appointed as the Company's custodian.

Under the terms of the Custody Agreement, the Custodian is entitled to be paid a fee of

- (i) 0.02 per cent. per annum of the Gross Assets up to £250 million;
- (ii) 0.015 per cent. per annum of the Gross Assets on the portion of the Gross Assets that is between £250 million and £500 million; and
- (iii) 0.01 per cent. per annum of the Gross Assets on the portion of the Gross Assets that is between £500 million and £750 million,

subject to an annual minimum fee of £25,000.

The Custodian's fee is charged quarterly in arrears and a transaction fee of £100 per lodgement or withdrawal of a loan document shall also be payable by the Company.

Should the Company move to another custodian and/or administrator, then a fee shall be levied of £100 per line to transfer out each asset line held plus a time spent fee based on the responsibility and complexity of the work involved and all subject to a minimum fee of £25,000 plus out of pocket expenses.

The Custodian will not be liable for any loss or damage incurred by the Company, unless such loss or damage is caused as a result of the Custodian's negligence, wilful default or fraud. The Company indemnifies the Custodian against all costs, reasonable expenses, losses, liabilities, damages, claims, actions, proceedings or demands incurred or suffered by the Custodian arising from or in connection with any claims or demands made by any person purporting to be entitled to the Company's portfolio or any part of it and in dealing with any conflicting claims and in safeguarding the Custodian's interest.

The Custody Agreement is terminable by either party giving 30 days' notice to the other. Each party may terminate the Custody Agreement immediately on notice in the event of material and continuing breach, if it becomes unlawful for either party to continue to perform its obligations under the terms of the agreement, if the whole of the Company's portfolio is transferred to the Company or in the event of the insolvency of either party.

The Custody Agreement is governed by the laws of Guernsey.

7.9 *Orderly Market Deed*

By way of a deed between N+1 Singer, GLIF and the Company dated 1 September 2015, the Major Shareholder has agreed that, subject to certain exceptions, it shall not, and shall procure that no person who is a connected person will, from the date of this Deed for a period of 24 months directly or indirectly transfer the legal and/or beneficial ownership (or any interest therein) in any of the Shares in the Company owned by it or such a connected person immediately after Admission or any shares which may accrue to it or such a connected person as a result of its or their holding of such shares except through N+1 Singer, provided that the price and settlement terms offered by N+1 Singer are not less than the price and settlement terms offered by any other stockbroker or dealer in securities in respect of the same disposal and so that N+1 Singer shall be given five Business Days within which to match any such price and settlement terms) and in accordance with the reasonable requirements of N+1 Singer so as to ensure an orderly market for the issued share capital of the Company.

In the event that the Share Purchase Agreement is terminated prior to the date of First Admission then the Orderly Market Deed shall cease and determine.

The Orderly Market Deed is governed by the laws of England and Wales.

7.10 *Receiving Agent Agreement*

Under the Receiving Agent Agreement between the Company and the Receiving Agent dated 1 September 2015, the Receiving Agent has been appointed to provide receiving agent services to the Company in respect of the redemption facility.

Under the terms of the Receiving Agent Agreement, the Receiving Agent shall be entitled to receiving agency fees of £3.95 per Redemption Request received in respect of any Redemption Point subject to a minimum aggregate charge of £1,500 per redemption (exclusive of any VAT). The Receiving Agent shall also be entitled to reimbursement of all reasonable out of pocket expenses properly incurred on behalf of the Company.

The maximum aggregate liability of the Receiving Agent under the Receiving Agent Agreement will be limited to the lesser of £250,000 or an amount equal to five times the fee payable to the Receiving Agent under the agreement. The Company has given an indemnity in favour of the Receiving Agent from and against any and all losses incurred by it resulting or arising from the Company's breach of the Receiving Agent Agreement, except to the extent that such losses are determined to have resulted solely from the fraud, wilful default or negligence of the Receiving Agent.

Either party may terminate the Receiving Agent Agreement by written notice in the event of a material and continuing breach (which has failed to be remedied within 14 days of a written notice to do so from the other party) or insolvency.

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

8. Litigation

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

9. Significant change

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

10. Working capital

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

11. Capitalisation and Indebtedness

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

12. General

- 12.1 Where information has been sourced from third parties, the Company confirms that this information has been accurately reproduced and that, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The sources of information have been disclosed.
- 12.2 N+1 Singer is acting as financial adviser and placing agent for the Company in relation to the Issues and has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 12.3 The Manager has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 12.4 GLIF has given and has not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear. GLIF accepts responsibility for the information contained in paragraph 6 of Part I (*Summary of Investee Platforms*), paragraph 7 of Part I (*Initial Portfolio and pipeline of proposed investments*), Part II (*Market Overview*) and paragraph 2 of Part III (*Manager*) of this document and has authorised the inclusion of that information. GLIF has taken all reasonable care to ensure that the information contained in paragraph 6 of Part I, paragraph 7 of Part I, Part II and paragraph 2 of Part III is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.
- 12.5 The effect of the Issue (which includes the issue of Consideration Shares to GLIF in consideration for the acquisition of the Initial Portfolio Investor) will be to increase the net assets of the Company. On the assumption that the Issue is fully subscribed, the Issue is expected to increase the net assets of the Company by approximately £44.18 million. The Issue is expected to be earnings enhancing.
- 12.6 The Company has no outstanding borrowing or indebtedness and there is no security, charge or security interest over or attaching to the assets of the Company as at the date of this document.
- 12.7 In accordance with the AIFM Rules, the AIFM will ensure that the following information in relation to the Company's portfolio is published in the Company's annual report and audited accounts:
 - (i) the current risk profile of the Company and the risk management systems employed by the AIFM to manage those risks;

- (ii) any changes to the maximum level of leverage which the AIFM may employ on behalf of the Company as well as any right of the re-use of collateral or any guarantee granted under the leveraging arrangement. The Company will, in addition, notify Shareholders of any such changes, rights or guarantees without undue delay by issuing an announcement via a Regulatory Information Service and is required to seek prior Shareholder approval for any material change to the Company's investment policy; and
- (iii) the total amount of leverage employed by the Company.

13. Auditors

The auditors to the Company are Baker Tilly UK Audit LLP of 25 Farringdon Street, London, EC4A 4AB. Baker Tilly UK Audit LLP is registered to carry on audit work by The Institute of Chartered Accountants of Scotland (ICAS).

14. Custodian

The Custodian is Butterfield Bank (Guernsey) Limited, whose registered office is located at Regency Court, Glatigny Esplanade, St Peter Port, Guernsey GY1 3AP. The Custodian is a non-cellular company limited by shares, registered with registration number 21061 and its telephone number is +44 (0) 1481 711521. The Custodian was incorporated on 26 July 1989 under the laws of Guernsey. The Custodian maintains its registered office and place of central administration in Guernsey.

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

15. Intermediaries

The Intermediaries authorised at the date of this document to use this document in connection with the Intermediaries Offer are:

Redmayne-Bentley LLP
Interactive Investor Trading Ltd

16. Documents on display

The following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH until 31 August 2016:

- 16.1 this document; and
- 16.2 the Articles.

Dated 1 September 2015

Part XI

Definitions

Act	the Companies Act 2006, as amended from time to time
Administration Agreement	the administration agreement dated 1 September 2015, between the Company and the Administrator, summarised in paragraph 7.6 of Part X of this document
Administrator	Elysium Fund Management Limited
Admission	the admission of any Ordinary Shares and/or C Shares to trading on the London Stock Exchange (Specialist Fund Market)
AIC Code	the Association of Investment Companies' Code of Corporate Governance, as amended from time to time
AIC Guide	the Association of Investment Companies' Corporate Governance Guide for Investment Companies, as amended from time to time
AIF	alternative investment fund
AIFM	alternative investment fund manager, being, at the date of this document, the Manager
AIFM Directive	Directive 2011/61/EU on Alternative Investment Fund Managers
AIFM Rules	the AIFM Directive and all applicable rules and regulations implementing the AIFM Directive in the UK
Articles	the articles of association of the Company as at the date of this document
Auditors	Baker Tilly UK Audit LLP or such other auditor as the Company may appoint from time to time
Benefit Plan Investor	a "benefit plan investor" as defined in Section 3(42) of ERISA and any regulations promulgated by the US Department of Labor thereunder, being "employee benefit plans" as defined in Section 3(3) of ERISA that are subject to Title I of ERISA, "plans" that are subject to the prohibited transaction provisions of Section 4975 of the US Internal Revenue Code, and entities the assets of which are treated as "plan assets" under Section 3(42) of ERISA and any regulations promulgated thereunder
BMS Finance	BMS Finance AB Limited
Business Day	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business
C Shares	C shares of £0.10 each in the capital of the Company having the rights and restrictions set out in paragraph 3.18 of Part X of this document
Cash Instruments	cash or cash equivalents, government or public securities (as defined in the rules of the FCA), money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a "single A" (or equivalent) or higher credit

	rating as determined by any internationally recognised rating agency selected by the Board (which may or may not be registered in the EU)
certificated form	not in uncertificated form
COB Rules	the Conduct of Business Rules contained in the FCA's handbook of rules and guidance
Company	GLI Alternative Finance plc
Company Secretary	Elysium Fund Management Limited
Consideration Shares	the Ordinary Shares to be issued to GLIF under the Issue as the consideration for the transfer of the entire issued share capital of the Initial Portfolio Investor from GLIF to the Company
Continuation Resolution	the ordinary resolution to be proposed by the Board to Shareholders that the Company continues as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010
Conversion	the conversion of C Shares into new Ordinary Shares, as described in paragraph 3.18 of Part X of this document
CREST	the relevant system as defined in the CREST Regulations in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
CrowdShed	CrowdShed Limited
CRX	CRX Services GmbH
Custodian	Butterfield Bank (Guernsey) Limited
Custody Agreement	the custody agreement dated 1 September 2015, between the Company and the Custodian, summarised in paragraph 7.8 of Part X of this document
Dealing Value of the Company	the value of the Company calculated in accordance with paragraph 7 of Part IV of this document
Dealing Value per Ordinary Share	the value by reference to which Ordinary Shares may be redeemed on a Redemption Point calculated in accordance with paragraph 7 of Part IV of this document
Deferred Shares	deferred ordinary shares of £0.01 each in the capital of the Company arising on Conversion
Directors or Board	the board of directors of the Company
Disclosure and Transparency Rules	the disclosure and transparency rules made by the FCA under Part VI of FSMA
DKK	Danish Krone
EEA	European Economic Area

ERISA	the United States Employee Retirement Income Security Act of 1974, as amended
Euro	the official currency of the EEA
Euroclear	Euroclear UK & Ireland Limited
Europe	the EEA including the European Union
European Receivables Exchange	The European Receivables Exchange A/S
FATCA	the Foreign Account Tax Compliance Act
FCA	the Financial Conduct Authority, being the single regulatory authority for the UK financial services industry
FDIC	Federal Deposit Insurance Corporation
Financial Action Task Force	the inter-governmental body established in 1989 to set standards and promote effective implementation of legal, regulatory and operational measures for combating financial crime and terrorist financing
Finexkap	Finexkap SAS
Finpoint UK	Finpoint UK Limited
Finpoint Europe	the European initiative operated by Finpoint UK Limited
First Admission	Admission of the Consideration Shares and the Ordinary Shares issued pursuant to the Issue
FSMA	the UK Financial Services and Markets Act 2000, as amended
FundingKnight	FundingKnight Holdings Limited
GBHL	GLIF BMS Holdings Ltd
GFSC	the Guernsey Financial Services Commission
GLIF	GLI Finance Limited
GLIF Group	GLIF and its subsidiaries from time to time
Gross Assets	the gross assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time
Gross Proceeds	the gross proceeds of the Issue
Group	the Company and its subsidiaries
HMRC	HM Revenue & Customs
IFRS	International Financial Reporting Standards
Initial Portfolio	the portfolio of loans as set out in Part I of this document that are, at the date of publication of this document, held by the Initial Portfolio Investor
Initial Portfolio Investor	GLI Alternative Finance Guernsey Limited, a noncellular company limited by shares and wholly-owned subsidiary of GLIF, registered

	in Guernsey whose registered office is at Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 4NA
Initial Portfolio Valuation Date	21 September 2015 being the date falling two Business Days prior to the date of First Admission, or such other date as may be determined by the Board
Intermediaries	the entities listed in paragraph 15 of Part X of this document, together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of this document
Intermediaries Agreement	the agreement dated 1 September 2015 in which the Intermediaries have agreed to be appointed by the Company to act as an Intermediary in the Intermediaries Offer and pursuant to which the Intermediaries may apply for Ordinary Shares in the intermediaries Offer on behalf of Underlying Applicants summarised in paragraph 7.2 of Part X of this document
Intermediaries Offer or Offer	the offer of Ordinary Shares by the Intermediaries to retail investors
Investee Platforms	the Platforms and SME finance companies in which the GLIF Group holds an equity interest, each of which operates a platform or otherwise operates in the peer-to-peer lending space
Investment Advisers Act	US Investment Advisers Act of 1940, as amended
Issue	the issue of Ordinary Shares pursuant to the Placing, the Intermediaries Offer and, as the context may require, the issue of the Consideration Shares to GLIF pursuant to the Share Purchase Agreement
Issues	the Issue and any subsequent issue under the Placing Programme
Issue Price	the price at which Ordinary Shares and/or C Shares are issued being £1 per Ordinary Share in the case of the Placing and Intermediaries Offer and being the relevant Placing Programme Price in the case of the Placing Programme
Latest Practicable Date	close of business on 28 August 2015, being the latest practicable date prior to the date of this document for ascertaining certain information contained herein
LiftForward	Liftforward, Inc.
Listing Rules	the listing rules made by the UK Listing Authority under section 73A of FSMA
London Stock Exchange	London Stock Exchange plc
Major Shareholder	GLIF
Management Agreement	the management agreement dated 1 September 2015, between the Manager and the Company, summarised in paragraph 7.3 of Part X of this document
Management Shares	non-redeemable preference shares of £1.00 each in the capital of the Company held by the Manager
Manager	GLI Asset Management Limited

Member State	any member state of the EEA
Minimum Net Proceeds	the minimum net proceeds of the Issue, being £44.18 million
Money Laundering Regulations	the Money Laundering Regulations 2007
MyTripleA	MyTripleA Finance SL
NAV or Net Asset Value	the value of the assets of the Company less its liabilities, determined in accordance with the accounting principles adopted by the Company from time to time
NAV per Ordinary Share or Net Asset Value per Ordinary Share	the Net Asset Value divided by the number of Ordinary Shares (excluding treasury shares) in issue
N+1 Singer or Placing Agent	Nplus1 Singer Advisory LLP, the Company's financial adviser, broker and placing agent
NISA	a New Individual Savings Account maintained in accordance with the Individual Savings Account Regulations 1998
Official List	the official list maintained by the UK Listing Authority
Orderly Market Deed	the orderly market deed dated 1 September 2015, between GLIF, N+1 Singer and the Company, summarised in paragraph 7.9 of Part X of this document
Ordinary Shares	redeemable ordinary shares of £0.01 each in the capital of the Company
Ovamba	Ovamba Solutions Inc.
Placee or Placees	the persons with whom the Ordinary Shares and/or the C Shares are placed pursuant to the Placing and/or Placing Programme, as the context may require
Placing	the conditional placing of the Placing Shares at the Issue Price by N+1 Singer on behalf of the Company, on the terms and subject to the conditions of the Placing Agreement (as described in paragraph 7.1 of Part X of this document) and the Placing Letters
Placing Agreement	the placing agreement dated 1 September 2015, between the Company, the Manager, the Directors, GLIF and N+1 Singer, summarised in paragraph 7.1 of Part X of this document
Placing Letters	the placing letters to be sent to Placees by N+1 Singer in relation to the Placing
Placing Programme	the conditional programme of placings of Ordinary Shares and/or C Shares by N+1 Singer pursuant to the Placing Agreement as described in paragraph 7.1 of Part X of this document
Placing Programme Gross Proceeds	the gross proceeds of each Subsequent Placing under the Placing Programme
Placing Programme Price	the applicable price at which new Ordinary Shares and/or C Shares are issued under the Placing Programme, being not less than the prevailing Net Asset Value (cum income) per Ordinary Share and/or £0.10 per C Share
Placing Shares	Ordinary Shares to be issued pursuant to the Placing at the Issue Price

Platform Black	Platform Black Limited
Platforms	origination platforms that allow non-bank capital to (a) lend or advance capital to SME borrowers; and/or (b) advance capital against trade receivables, and including the Investee Platforms, as the context may require
POI Law	the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended
Proplend	Proplend Limited
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of the European Union and any relevant implementing measure in each Relevant Member States
Prospectus Rules	the rules and regulations made by the FCA under Part VI of FSMA
Raiseworks	Raiseworks, LLC
Receiving Agent	Capita Asset Services (a trading name of Capita Registrars Limited)
Receiving Agent Agreement	the agreement dated 1 September 2015, between the Company and the Receiving Agent, summarised in paragraph 7.10 of Part X of this document
Redemption Point	5.00 p.m. on the last Business Day in March and September each year on which date holders of Ordinary Shares which have submitted valid Redemption Requests to have their Ordinary Shares redeemed will be considered for redemption by the Board
Redemption Price	the price for which Ordinary Shares are redeemed on a Redemption Point as determined by reference to the Dealing Value per Ordinary Share, as more particularly described in Part IV of this document
Redemption Request	a written notice to the Company to redeem Ordinary Shares in the form from time to time prescribed by the Company
Register	the register of members of the Company
Registrar	Capita Asset Services (a trading name of Capita Registrars Limited)
Registrar Agreement	the agreement dated 1 September 2015, between the Company and the Registrar, summarised in paragraph 7.7 of Part X of this document
Regulatory Information Service	a service authorised by the UK Listing Authority to release regulatory announcements to the London Stock Exchange
Relationship Agreement	the conditional agreement dated 1 September 2015 entered into between the Company and the Major Shareholder, details of which are set out in paragraph 7.5 of Part X of this document
Relevant Member State	each Member State which has implemented the Prospectus Directive or where the Prospectus Directive is applied by the regulator
Sancus	Sancus Limited
SEC	the United States Securities and Exchange Commission
Securities Act	the United States Securities Act of 1933, as amended

Share Purchase Agreement	the agreement dated 1 September 2015, between the Company and GLIF, summarised in paragraph 7.4 of Part X of this document
Shareholder	a holder of Ordinary Shares and/or C Shares, as the context may require
Shares	Ordinary Shares and/or C Shares, as the context may require
SIPP	a self-invested personal pension as defined in Regulation 3 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 of the UK
SME	small and medium-sized enterprise
Specialist Fund Market	the Specialist Fund Market of the London Stock Exchange
Sterling	the currency of the United Kingdom of Great Britain and Northern Ireland
Subsequent Admission	Admission of the Ordinary Shares and/or C Shares issued pursuant to the Placing Programme
Subsequent Placing	any placing of Ordinary Shares and/or C Shares pursuant to the Placing Programme described in this document
Takeover Code	The City Code on Takeovers and Mergers
TFE	Transfer from Escrow
TTE	Transfer to Escrow
TradeRiver	TradeRiver Finance Limited
TradeRiver USA	TradeRiver USA, Inc.
The Credit Junction	The Credit Junction Holdings, Inc.
The Open Energy Group	The Open Energy Group, Inc.
UK	the United Kingdom of Great Britain and Northern Ireland
UK Bond Network	UK Bond Network Group Ltd
UK Consumers	<p>any of the following categories of borrowers in the UK:</p> <ul style="list-style-type: none"> (i) an individual; or (ii) a partnership consisting of two or three persons not all of whom are bodies corporate; or (iii) an unincorporated body of persons that does not consist entirely of bodies corporate and is not a partnership, <p>unless the loan which is lent to such borrower is of a principal amount which exceeds £25,000 and that the loan agreement is wholly or predominantly for the borrower's business and that it includes a declaration by the borrower which meets the prescribed requirements specified by the rules of the FCA</p>
UK Listing Authority or UKLA	the FCA acting in its capacity as the competent authority for the purposes of admissions to the Official List

uncertificated or in uncertificated form	an Ordinary Share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
Underlying Applicants	investors who wish to acquire Ordinary Shares under the Intermediaries Offer
United States or US or U.S.	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
US Code	the US Internal Revenue Code of 1986, as amended
US Dollar	the currency of the United States of America
US Exchange Act	US Exchange Act of 1934, as amended
US Investment Company Act	the United States Investment Company Act of 1940, as amended
US Person	a US Person as defined for the purposes of Regulation S
Valuation Point	close of business on the Business Day immediately preceding the relevant Redemption Point

