

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.**

A copy of this document, which comprises a Prospectus relating to Gabelli Value Plus+ Trust Plc (the "**Company**") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority made under section 84 of FSMA, has been delivered to the FCA in accordance with Rule 3.2 of the Prospectus Rules.

Applications will be made to the UK Listing Authority and the London Stock Exchange for all of the Shares (issued and to be issued) to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective on 17 February 2015.

The Company and each of the Directors, whose names appear on page 29 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.

**Prospective investors should read the entire document and, in particular, the section headed "Risk Factors" beginning on page 13 when considering an investment in the Company.**

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# Gabelli Value Plus+ Trust Plc

*(Incorporated in England and Wales with registered number 9361576 and registered as an investment company under section 833 of the Companies Act)*

## Placing and Offer for Subscription for up to 250 million Shares at 100 pence per Share

**Manager**

**Gabelli Funds, LLC**

**Sponsor, Sole Global Coordinator  
and Bookrunner**

**Investec Bank plc**

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

The Offer for Subscription will remain open until 1.00 p.m. on 11 February 2015 and the Placing will remain open until 5.00 p.m. on 11 February 2015. Persons wishing to participate in the Offer for Subscription should complete the Application Form set out in the Appendix to this document. To be valid, Application Forms must be completed and returned with the appropriate remittance, by post to Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH or by hand (during business hours only), to Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received no later than 1.00 p.m. on 11 February 2015.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares are being offered or sold only outside the United States to non-U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") and investors will not be entitled to the benefits of the U.S. Investment Company Act. This document should not be distributed into the United States or to U.S. Persons.

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe, for Shares in any jurisdiction where such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or Investec. The offer and sale of Shares has not been and will not be registered under the applicable securities law of any member state of the EEA (other than the United Kingdom), Canada, Japan, Australia or the Republic of South Africa. Subject to certain exemptions, the Shares may not be offered to or sold within any member state of the EEA (other than the United Kingdom), Canada, Japan, Australia or the Republic of South Africa or to any national, resident or citizen of any member state of the EEA (other than the United Kingdom), Canada, Japan, Australia or the Republic of South Africa.

Dated: 29 January 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		
Element	Disclosure Requirement	Disclosure
A.1.	Warning	This summary should be read as an introduction to this document. Any decision to invest in Shares 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 the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.
A.2.	Subsequent resale or final placement of securities through financial intermediaries	Not applicable.
Section B – Issuer		
Element	Disclosure Requirement	Disclosure
B.1.	Legal and commercial name	Gabelli Value Plus+ Trust Plc.
B.2.	Domicile and legal form	The Company was incorporated in England and Wales on 18 December 2014 with registered number 9361576 as a public company limited by shares under the Companies Act. The principal legislation under which the Company operates is the Companies Act.
B.5.	Group description	Not applicable. The Company is not part of a group.
B.6.	Major shareholders	As at 28 January 2015 (the latest practicable date prior to the publication 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.

Element	Disclosure Requirement	Disclosure
		Pending the allotment of Shares pursuant to the Issue, the Company is controlled by the Manager. The Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
B.7.	Key financial information	Not applicable. No key financial information is included in this document as the Company is yet to commence operations.
B.8.	Key pro forma financial information	Not applicable. No pro forma financial information.
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. There are no audit reports in this document.
B.11.	Qualified working	Not applicable. The Company is of the opinion that, on the basis that the Minimum Proceeds are raised, the working capital available to it is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.
B.34.	Investment policy	<p><b>Investment objective</b></p> <p>The Company's investment objective is to seek capital appreciation by investing predominantly in equity securities of U.S. Companies.</p> <p><b>Investment policy</b></p> <p>The Company will seek to meet its investment objective by investing predominantly in equity securities of U.S. Companies, of any market capitalisation.</p> <p>In selecting such securities the Manager will utilise its proprietary Private Market Value ("<b>PMV</b>") with a Catalyst™ methodology. PMV is the value that the Manager believes an informed industrial buyer would be willing to pay to acquire an entire company. The Manager arrives at a PMV valuation by a rigorous assessment of fundamentals (focusing on the balance sheet, earnings and free cash flow) from publicly available information and judgment gained from its comprehensive, accumulated knowledge of a variety of sectors.</p> <p>The Manager's fundamental research seeks to identify investments typically featuring, but not limited to, differentiated franchise businesses with organic cash flow, balance sheet opportunities and operational flexibility. The Manager will seek to identify businesses whose securities trade in the public markets at a significant discount to their PMV estimate which the Manager refers to as a "Margin of Safety".</p> <p>Having identified such securities, the Manager will seek to identify one of more "catalysts" that will help to narrow or eliminate the Margin of Safety. Catalysts can come in many</p>

Element	Disclosure Requirement	Disclosure
		<p>forms including, but not limited to, corporate restructurings (such as demergers and asset sales), operational improvements, regulatory or managerial changes, special situations (such as liquidations) and mergers and acquisitions.</p> <p>The Manager seeks value creation through its process of bottom-up stock selection and its implementation of a disciplined portfolio construction process.</p> <p>Once fully invested, the Company anticipates having a portfolio consisting typically of between 40 to 60 holdings. It is anticipated that these holdings will represent the majority of the portfolio. The Company may have more or fewer holdings from time to time depending upon the nature of the portfolio and market conditions.</p> <p>In addition to equity securities of U.S. Companies, the Company may (subject to the investment restrictions set out below) also invest in other securities from time to time including non-U.S. securities, convertible securities, fixed interest securities, preferred stock, non-convertible preferred stock, depositary receipts, warrants and other rights. Subject to the investment restrictions set out below, there is no limitation on the number of investments which may be exposed to any one type of catalyst event, including demergers, restructurings or announced mergers and acquisitions.</p> <p>The Company may invest through derivatives for efficient portfolio management and for investment purposes. Any use of derivatives for efficient portfolio management and for investment purposes will be subject to the investment restrictions set out below.</p> <p><b><i>Risk diversification</i></b></p> <p><i>General</i></p> <p>Portfolio risk will be mitigated by investing in a diversified spread of investments. In particular, the Company will observe the following investment restrictions:</p> <ul style="list-style-type: none"> <li>• no single investment shall, at the time of investment, account for more than 10 per cent. of the Gross Assets;</li> <li>• no more than 15 per cent. of the Gross Assets, at the time of investment, shall be invested in securities issued by companies other than U.S. Companies; and</li> <li>• no more than 25 per cent. of the Gross Assets, at the time of investment, shall be exposed to any one industry (as defined by the MSCI industry groups according to the GICS (global industry classification standards) categorisation).</li> </ul> <p>When the Manager determines that adverse market conditions exist, the Manager may adopt a temporary defensive position and invest some or all of the Company's portfolio in:</p> <ul style="list-style-type: none"> <li>• cash or cash equivalents, 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 an internationally recognised rating agency; or</li> </ul>

Element	Disclosure Requirement	Disclosure
		<ul style="list-style-type: none"> <li>any “government and public securities” as defined for the purposes of the FCA Handbook.</li> </ul> <p>In addition, uninvested cash or surplus capital or assets may be invested on a temporary basis in such assets.</p> <p><i>Derivatives and short selling</i></p> <p>If the Company invests in derivatives and/or structured financial instruments for investment purposes and/or for efficient portfolio management purposes, the total notional value of derivatives and/or structured financial instruments at the time of investment will not exceed, in aggregate, 10 per cent. of its Gross Assets. The Company may take both long and short positions. The Company may short up to a limit of 10 per cent. of its Gross Assets. For shorting purposes, the Company may use indices or individual stocks.</p> <p>When investing via derivatives and/or structured financial instruments (whether for investment purposes and/or for efficient portfolio management purposes), the Company will seek to mitigate and/or spread its counterparty risk exposure by collateralisation and/or contracting with a potential range of counterparty banks, as appropriate, each of whom shall, at the time of entering into such derivatives and/or structured financial instruments, have a single-A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency.</p>
B.35.	Borrowing limits	The Company may borrow up to 15 per cent. of Net Asset Value (calculated at the time of draw down). Borrowings may be used for investment purposes.
B.36.	Regulatory status	As an investment trust, the Company will not be regulated as a collective investment scheme by the FCA. However, from Admission, it will be subject to the Listing Rules, Prospectus Rules and the Disclosure and Transparency Rules.
B.37.	Typical investor	An investment in the Shares is only suitable for institutional investors and professionally advised or financially sophisticated non-advised private investors who understand, and are capable of evaluating, the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment.
B.38.	Investment of 20 per cent. or more in single underlying asset or investment company	Not applicable. No asset will constitute 20 per cent. or more of Gross Assets on Admission.
B.39.	Investment of 40 per cent. or more in single underlying asset or investment company	Not applicable. No asset will constitute 40 per cent. or more of Gross Assets on Admission.

Element	Disclosure Requirement	Disclosure
B.40.	Applicant's service providers	<p><i>Manager</i></p> <p>The Company has entered into the Management Agreement with Gabelli Funds, LLC under which the Manager will be responsible for the day-to-day management of the Company's investment portfolio on a discretionary basis in accordance with the Company's investment objective and policy, subject to the overall supervision of the Directors.</p> <p>The Manager is entitled to receive from the Company in respect of its services provided under the Management Agreement, a management fee accrued daily but payable monthly in arrears equal to 1 per cent. per annum of the Market Capitalisation.</p> <p>The Management Agreement may be terminated by the Company or the Manager giving the other party at least 24 months' notice in writing, such notice not to be given earlier than the fourth anniversary of Admission.</p> <p><i>Administrator</i></p> <p>State Street Bank and Trust Company has been appointed as administrator to the Company pursuant to the Administration Agreement. Under the terms of the Administration Agreement, the Administrator, will be responsible for the maintenance of the books and financial accounts of the Company and the calculation of the Net Asset Value of the Company and the Shares. The Administrator shall be entitled to receive an annual fee calculated by reference to the Company's Net Asset Value as follows, an amount equal to the aggregate of: (i) 4.00 basis points of the Net Asset Value of the Company up to £100 million; (ii) 3.00 basis points of the Net Asset Value of the Company between £100 million and £500 million; and (iii) 2.00 basis points of the Net Asset Value of the Company in excess of £500 million. A minimum fee of £25,000 per annum shall apply following the Company's first financial year. The Administrator shall also be entitled to reimbursement of all out-of-pocket costs, expenses and charges reasonably and properly incurred on behalf of the Company.</p> <p><i>Depositary and Custodian</i></p> <p>State Street Trustees Limited has been appointed as the Company's depositary pursuant to the Depositary Agreement to provide depositary services to the Company, including setting up and maintaining securities records and cash accounts, keeping safe custody of the Company's investments, processing corporate actions and shareholder votes and collecting and processing the Company's income. Under the terms of the Depositary Agreement, the Depositary is entitled to a fee of 2 basis points per annum of the Net Asset Value. The Depositary is entitled to reimbursement of all reasonable out-of-pocket expenses incurred in connection with its duties.</p> <p>The Depositary has delegated the custody and safe keeping services to its affiliate State Street Bank and Trust Company. Pursuant to the Custody Agreement, the Custodian will be entitled to an asset based safe keeping fee that varies with the location of the assets (being 0.50 basis points per annum in respect of assets of the Company located in the U.S.) billed and payable monthly and a transaction charge for transaction settlement.</p>



Element	Disclosure Requirement	Disclosure
		<p><i>Company Secretary</i></p> <p>TMF Corporate Secretarial Services Ltd will provide company secretarial services to the Company pursuant to the Company Secretarial Agreement. The Company Secretary will be responsible for the project management of the production of the Company's annual report and accounts, regulatory compliance and providing support to the Board's corporate governance process and its continuing obligations under the Listing Rules and the Disclosure and Transparency Rules. In addition, the Company Secretary will be responsible for liaising with the Company, the Manager, the Registrar and the Administrator in relation to the payment of any dividends, as well as general secretarial functions required by the Act (including but not limited to the maintenance of the Company's statutory books). Under the terms of the Company Secretarial Agreement, the Company Secretary is entitled to an annual fee of £43,000 per annum (plus VAT) in respect of the company secretarial services it will provide, including corporate governance, regulatory compliance and Listing Rule continuing obligations. The Company Secretary will, in addition, be entitled to recover reasonable third party expenses and disbursements.</p> <p><i>Registrar</i></p> <p>Computershare Investor Services PLC has been appointed as the Company's Registrar pursuant to the Registrar Agreement. The Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed (exclusive of any VAT). The Registrar is also entitled to reimbursement of all out of pocket costs, expenses and charges properly incurred on behalf of the Company.</p> <p><i>Broker</i></p> <p>Investec has been appointed as corporate broker to the Company. Under the terms of the Broker Agreement, Investec is entitled to a fee of £50,000 per annum (exclusive of VAT).</p>
B.41.	Regulatory status of investment manager and custodian	<p>The Manager is registered with the U.S. Securities and Exchange Commission as an investment adviser under the U.S. Investment Advisers Act of 1940.</p> <p>The Depositary is authorised by the Prudential Regulation Authority and is subject to regulation by the FCA and to limited regulation by the Prudential Regulation Authority.</p> <p>The Custodian is authorised by the U.S. Federal Reserve Bank.</p>
B.42.	Calculation of Net Asset Value	<p>The unaudited Net Asset Value per Share will be calculated and published in Sterling by the Administrator on a daily basis.</p> <p>The calculation of the Net Asset Value per Share will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a system's failure of the Administrator) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through a Regulatory Information Service as soon as practicable after any such suspension occurs.</p>



<b>Element</b>	<b>Disclosure Requirement</b>	<b>Disclosure</b>
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	The Company has not commenced operations and no financial statements have been made up as at the date of this document.
B.45.	Portfolio	Not applicable. The Company is newly incorporated and does not currently hold any assets.
B.46.	Net Asset Value	The Net Asset Value per Share at Admission will be a minimum of £0.99.
<b>Section C – Securities</b>		
<b>Element</b>	<b>Disclosure Requirement</b>	<b>Disclosure</b>
C.1.	Type and class of securities	The Company intends to issue up to 250 million Shares with a nominal value of £0.01 each at an Issue Price of £1.00.  The ISIN of the Shares is GB00BTLJYS47 and the SEDOL is BTLJYS4. The ticker for the Company is GVP.
C.2.	Currency	Sterling.
C.3.	Number of securities to be issued	The size of the Issue is up to 250 million Shares. The actual number of Shares to be issued pursuant to the Issue, and therefore the Initial Gross Proceeds, are not known as at the date of this document but will be notified by the Company via a Regulatory Information Service announcement prior to Admission. If the Minimum Proceeds are not raised, the Issue will not proceed. The nominal value of a Share is one penny.
C.4.	Description of the rights attaching to the securities	The Shares carry the right to receive all dividends declared by the Company and, on a winding up, provided the Company has satisfied all of its liabilities, the Shareholders are entitled to all the surplus assets of the Company. Shareholders will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote per Share.
C.5.	Restrictions on the free transferability of the securities	There are no restrictions on the free transferability of the Shares.
C.6.	Admission	Applications will be made to the UK Listing Authority and to the London Stock Exchange for all of the Shares (issued and to be issued) to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective, and that dealings in the Shares will commence at 8.00 a.m. on 17 February 2015.

Element	Disclosure Requirement	Disclosure
C.7.	Dividend policy	<p>The Company intends to pay Sterling dividends on a semi-annual basis with dividends declared in July and November and expected to be paid no later than September and January in each relevant year. Dividend yield is a by-product of the investment process but is anticipated to be in the range of the broad U.S. market with approximately a 1 to 3 per cent. gross yield on Admission. The Company intends to declare its first interim dividend in November 2015 in respect of the period to September 2015 to be paid no later than January 2016.</p> <p>The anticipated dividend yield is not a profit forecast or a target return. It has been based on the average historic yields of two representative All Cap Value accounts managed by the Manager over the period from 31 December 2004 to 31 December 2014 and investors should have no expectation the Company will pay dividends as anticipated above or at all. Past performance is not a guide to future performance.</p>
<b>Section D – Risks</b>		
Element	Disclosure Requirement	Disclosure
D.1.	Key information on the key risks that are specific to the Company or its industry	<p>The key risk factors relating to the Company, its investment policy and its investment portfolio are:</p> <ul style="list-style-type: none"> <li>the Company may not meet 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;</li> <li>the effects of normal market fluctuations and macro global events may impact the Company's business, operating results or financial condition and there can be no assurance that these events and other market disruptions will not have other material and adverse implications which could prejudice the Company's ability to generate total returns for Shareholders;</li> <li>past performance of the Manager cannot be relied upon as an indicator of future performance and the Company can offer no assurance that investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained;</li> <li>investor returns will be dependent upon the performance of the portfolio and the Company may experience fluctuations in its operating results;</li> <li>the Company's investment policy may involve the use of leverage, which exposes the Company to risks associated with borrowings;</li> <li>the Company's investment policy may involve the use of derivatives or short selling which exposes the Company to the risks associated with derivatives and short selling;</li> <li>the Company's performance may be adversely affected by currency movements; and</li> </ul>

Element	Disclosure Requirement	Disclosure
		<ul style="list-style-type: none"> <li>catalyst events may take longer to occur, be renegotiated or not occur at all. A risk associated with the Company's catalyst driven investment policy is that the arbitrage between PMV and market price achieved through anticipated catalyst events may involve a longer time frame to be realised than originally contemplated, may be renegotiated or restructured or may not happen at all, in which case losses may be realised.</li> </ul> <p>The key risks relating to the Manager are:</p> <ul style="list-style-type: none"> <li>the performance of the Company will depend on the ability and services of the Manager and there can be no assurance that, over time, the Manager will be able to provide such services or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses;</li> <li>the Company will depend on the managerial expertise available to the Manager and investors will be highly dependent on the financial and managerial experience of certain investment professionals associated with the Manager and any delegate of the Manager, none of whom is under any contractual obligation to the Company to continue to be associated with the Manager or any delegate of the Manager. The loss of one or more of these individuals could have a material adverse effect on the performance of the Company; and</li> <li>the Manager and/or its affiliates may be involved in other financial, investment and professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the Manager may provide investment management, investment advice or other services to a number of funds that may have similar investment policies to that of the Company.</li> </ul> <p>The key taxation and regulation risks relating to the Company are:</p> <ul style="list-style-type: none"> <li>the Company may not be able to maintain its investment trust status;</li> <li>changes in taxation legislation or practices may adversely affect the Company and the tax treatment for Shareholders investing in the Company; and</li> <li>recently enacted U.S. tax legislation may in the future impose a withholding tax on certain payments received by the Company unless the Company reports certain information about its Shareholders to the U.S. Internal Revenue Service or HMRC.</li> </ul>
D.3.	Key information on the key risks that are specific to the Shares	<p>The key risk factors relating to the Shares are:</p> <ul style="list-style-type: none"> <li>Shares may trade at a discount to the Net Asset Value per Share; and</li> <li>it may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Shares.</li> </ul>

Section E – Offer		
Element	Disclosure Requirement	Disclosure
E.1.	Net proceeds and costs of the Issue	The costs and expenses (including irrecoverable VAT) of, and incidental to, the Issue payable by the Company will be no more than 1.00 per cent. of the Initial Gross Proceeds. Therefore, assuming Initial Gross Proceeds raised from the Issue are £250 million, the net proceeds will be no less than £247.5 million. In the event that the Issue expenses exceed 1.00 per cent. of the Initial Gross Proceeds, the excess will be paid by the Manager.
E.2.a	Reason for offer and use of proceeds	The Company's principal use of cash (including the net proceeds of the Issue) will be to purchase investments sourced by the Manager in line with the Company's investment policy, as well as initial expenses related to the Issue, ongoing operational expenses and payment of dividends and other distributions to Shareholders in accordance with the Company's dividend policy.
E.3.	Terms and conditions of the offer	<p>The maximum number of Shares available under the Issue is 250 million. In the event that commitments under the Placing and valid applications under the Offer for Subscription exceed 250 million Shares in aggregate, it would be necessary to scale back applications under the Issue. In such an event, applications under the Issue will be scaled back at Investec's discretion (in consultation with the Company and the Manager) and thereafter no further commitments or applications will be accepted and the Issue will be closed. The Offer for Subscription will not be subject to scaling back in favour of the Placing.</p> <p>The Issue is conditional, <i>inter alia</i>, on:</p> <ul style="list-style-type: none"> <li>(i) Admission having become effective on or before 8.00 a.m. on 17 February 2015 or such later time and/or date as the Company and Investec may agree (being not later than 8.00 a.m. on 17 March 2015);</li> <li>(ii) the Placing and Offer Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission; and</li> <li>(iii) the Minimum Proceeds being raised.</li> </ul>
E.4.	Material interests	Not applicable. No interest is material to the Issue.
E.5.	Name of person selling securities	Not applicable. No person or entity is offering to sell Shares as part of the Issue.
E.6.	Dilution	Not applicable.
E.7.	Estimated Expenses	<p>The costs and expenses (including irrecoverable VAT) of, and incidental to, the Issue payable by the Company will be no more than 1.00 per cent. of the Initial Gross Proceeds.</p> <p>In the event that the Issue expenses exceed 1.00 per cent. of the Initial Gross Proceeds, the excess will be paid by the Manager.</p>

## **RISK FACTORS**

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

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

### **RISKS RELATING TO THE COMPANY AND ITS INVESTMENT STRATEGY**

#### **The Company may not meet its investment objective**

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

The Company's share price will fluctuate with changes in the market value of the Company's portfolio securities. Shares are subject to market, economic, and business risks that may cause their prices to fluctuate. The Company is subject to the risk that the portfolio securities' PMVs may never be realised by the market, or that the portfolio securities' prices decline. The Company is also subject to the risk that the Manager's assessment of the values of the securities the Company holds may be incorrect, which may result in a decline in the value of the Shares.

#### **The effects of normal market fluctuations and global macro events 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. Changes in economic conditions in the U.S. where the Company predominantly invests (for example, interest rates and rates of inflation, industry conditions, competition, political and diplomatic events, the outbreak of war which impacts the U.S. and other factors) could substantially and adversely affect the Company's prospects.

The aftermath of the war in Iraq, instability in Afghanistan, Pakistan, Egypt, Libya, Syria and the Middle East, possible terrorist attacks in the United States and around the world, growing social and political discord in the United States, economic slowdown in China, downgrades of U.S. government securities and other similar events may result in market volatility, may have long term effects on the U.S. and worldwide financial markets and may cause further economic uncertainties in the United States and worldwide. The Company cannot predict how long the securities markets may be affected by these events and cannot predict the effects of these events or similar events in the future on the U.S. economy and securities markets. There can be no assurance that these events and other market disruptions will not have other material and adverse implications which could prejudice the Company's ability to generate total returns for Shareholders.

#### **Reliance on service providers and other third parties**

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company must therefore rely upon the performance of third party service providers to perform its executive functions. In particular, the Manager, the Administrator, the Depositary, the Company Secretary, the Registrar and their respective delegates, if any, will perform services that are integral to the Company's operations and financial performance. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, to exercise due care and skill, or to perform its obligations to the Company at all as a result of insolvency, bankruptcy or other causes could have a material adverse effect on the Company's performance and returns to Shareholders. The termination of the Company's relationship with any third party service provider or any delay in appointing a replacement for such service provider, could disrupt the business of the Company materially and could have a material adverse effect on the Company's performance and returns to Shareholders.

**Past performance cannot be relied upon as an indicator of future performance**

The past performance of other funds or investments managed or advised by the Manager cannot be relied upon as an indicator of future performance of the Company. Investor returns will be dependent on the Company successfully pursuing its investment policy. The success of the Company will depend, *inter alia*, on the Manager's ability to identify, acquire and realise investments in accordance with the Company's investment policy. This, in turn, will depend on the ability of the Manager to apply its investment processes in a way which is capable of identifying suitable investments for the Company in which to invest. 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 indeed avoid investment losses.

An investor may not get back the amount originally invested. The Company can offer no assurance that investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

**Misconduct of employees and third party service providers**

Misconduct or misrepresentations by employees of the Manager or third party service providers could cause significant losses to the Company. Employee misconduct may include binding the Company to transactions that exceed authorised limits or present unacceptable risks and unauthorised trading activities or concealing unsuccessful trading activities (which, in any case, may result in unknown and unmanaged risks or losses) or making misrepresentations regarding any of the foregoing. Losses could also result from actions by third party service providers, including, without limitation, failing to recognise trades and misappropriating assets. In addition, employees and third party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Company's business prospects. Despite the Manager's due diligence efforts, misconduct and intentional misrepresentations may be undetected or not fully comprehended, thereby potentially undermining the Manager's due diligence efforts. As a result, no assurances can be given that the due diligence performed by the Manager will identify or prevent any such misconduct.

**Investor returns will be dependent upon the performance of the portfolio and the Company may experience fluctuations in its operating results**

Investors contemplating an investment in the Shares should recognise that the market value of the Shares can fluctuate and may not always reflect their underlying value. Returns achieved are reliant primarily upon the performance of the portfolio. No assurance is given, express or implied, that Shareholders will receive back the amount of their original investment in the Shares.

The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values of investments made by the Company, changes in the amount of distributions, dividends or interest paid by companies in the portfolio, changes in the Company's operating expenses, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which the Company encounters competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period.

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

The Company is subject to laws and regulations enacted by national and local governments. In particular, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to listed closed-ended investment companies.

Any change in the law and regulation affecting the Company may have a material adverse affect on the ability of the Company to carry on its business and successfully pursue its investment policy and on the value of the Company and the Shares. In such event, the investment returns of the Company may be materially adversely affected.



**The Company's investment policy may involve the use of leverage, which exposes the Company to risks associated with borrowings**

In accordance with its borrowing and gearing policy, the Company may borrow up to 15 per cent. of its Net Asset Value (calculated at the time of draw down). The Company may use such borrowings to seek to enhance investment returns. While the use of borrowings should enhance the total return on the Shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's underlying assets is falling or rising at a lower rate than the cost of borrowing, reducing the total return on the Shares. As a result, the use of borrowings by the Company may increase the volatility of the Net Asset Value per Share.

Any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its Net Asset Value (which is likely to adversely affect the market price of a Share). Any reduction in the number of Shares in issue (for example, as a result of buy-backs or tender offers) will, in the absence of a corresponding reduction in borrowings, result in an increase in the Company's level of gearing.

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

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

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

**The Company's investment policy may involve the use of derivatives**

The Company's investment policy may involve the use of derivatives (including contracts for difference) and/ or structured financial instruments. If the Company invests in derivatives and/or structured financial instruments for investment purposes and/or for efficient portfolio management purposes, the total notional value of derivatives and/or structured financial instruments, at the time of investment, will not exceed, in aggregate, 10 per cent. of its Gross Assets.

The Company may utilise both exchange-traded and over-the-counter derivatives (including contracts for difference) as part of its investment policy. The costs of investing through derivatives may be higher than investing in securities (whether directly or through nominees) as the Company will have to bear the additional costs of purchasing and holding such derivatives and this could have a material adverse effect on the Company's returns. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage.

As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in Net Asset Value, incorrect collateral calls or delays in collateral being posted.

**The Company's investment policy may involve short selling**

The Company may engage in short selling up to a limit of 10 per cent. of its Gross Assets. Short selling involves selling securities which are not owned by the Company and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in the value of securities. A short sale creates the risk of significant losses for the Company because the price of the underlying security could increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the security necessary to cover a short position will be



available for purchase. Purchasing securities to close out a short position can itself cause the price of the relevant securities to rise further, thereby exacerbating the loss. Such losses could have a material adverse effect on the Company's performance and returns to holders of Shares.

There is also the risk that the securities borrowed in connection with a short sale must be returned to the lender of such securities on short notice. If a request for the return of borrowed securities occurs at a time when other short sellers of the securities are receiving similar requests, it may be necessary to replace borrowed securities previously sold short with securities purchased on the open market, possibly at prices significantly in excess of the proceeds received from originally selling the securities short.

Any losses arising as a result of the Company engaging in short selling could result in an investor not getting back the amount originally invested. The Company can offer no assurance that investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

### **The Company has no operating history**

The Company was incorporated on 18 December 2014. 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 made up. 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 Company's performance may be adversely affected by currency movements**

The proceeds of the Issue will be denominated in Sterling and the Directors intend that all monies returned to Shareholders and the reported Net Asset Value will be denominated in Sterling and that the annual and interim results of the Company will be reported in Sterling. The Company expects substantially all of its investments to be made in U.S. dollar denominated assets and distributions and income from or the proceeds from the disposal of certain investments in the portfolio may also be realised in currencies other than Sterling. Consequently, the value of investments in the portfolio made in non-Sterling currencies will be affected by currency movements and will fall as the Sterling currency appreciates against the currency in which such investments are denominated. Although the Company may seek to utilise financial instruments to hedge against the adverse effects of changes in currency exchange rates for efficient portfolio management purposes, neither the Manager nor the Company are obliged to do so. Moreover, it may not be possible to hedge against a particular change or event at an acceptable price, or at all. In addition, there can be no assurances that any attempt to hedge against a particular change or event would be successful and could have a material adverse effect on Company's business, financial conditions or results of operations.

## **RISKS RELATING TO THE SHARES**

### **Shares may trade at a discount to the Net Asset Value per Share**

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 Shares may fluctuate independently of their underlying Net Asset Value and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Shares, market conditions and general investor sentiment. There can be no guarantee that any discount control policy will be successful or capable of being implemented. The market value of a Share may therefore trade at a discount to its Net Asset Value.

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

The price at which the 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 Shares. The market prices of the Shares may not reflect their underlying Net Asset Value.

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

The number of Shares to be issued pursuant to the Issue is not yet known, and there may be a limited number of holders of such Shares. Limited numbers and/or holders of such Shares may mean that there is limited liquidity in such 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 Shares trade in the secondary market.

#### **The Company may not have adequate distributable profits to allow the Company to return capital to Shareholders**

Investors are reminded that, in accordance with the Companies Act, Shares may only be repurchased out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or out of distributable profits (including any reserve arising out of the cancellation of the Company's share premium account). There can be no assurance that the Company will have any such proceeds or distributable profits to allow the Company at any time to make a tender offer or to utilise any granted buy-back authority and to thereby return capital to Shareholders.

In the event of a winding-up of the Company, the Shares will rank behind any creditors of the Company and therefore, any positive return for holders of Shares will depend on the Company's assets being sufficient to meet the prior entitlements of any creditors.

#### **The Company may issue additional securities that dilute existing Shareholders**

Subject to the Companies Act and all other legal and regulatory requirements, the Company may issue additional shares (including Shares and/or C Shares). Any additional issuances by the Company, or the possibility of such issue, may cause the market price of the existing Shares to decline. Furthermore, although Shares and/or C Shares may not be issued at a discount to their prevailing Net Asset Value per Share (unless they are first offered pro rata to existing shareholders of the same class, or the issuance is otherwise authorised by shareholders), the relative voting percentages of existing holders of Shares may be diluted by further issues of Shares and on conversion of any C Shares depending on the applicable conversion ratio.

There are provisions under the Companies Act which require there to be rights of pre-emption in respect of the allotment of shares but these have been disapplied until the first annual general meeting of the Company over Shares up to an aggregate nominal value of £250,000 or, if less, 10 per cent. of the aggregate nominal value of the issued share capital of the Company immediately following completion of the Issue and until the fourth annual general meeting of the Company over 250 million C Shares so that the Directors will not be obliged to offer any new Shares and/or C Shares up to such amounts to Shareholders on a pro rata basis. The Directors intend to request that such authorities to allot shares on a non-pre-emptive basis are renewed at the relevant annual general meetings of the Company after Admission.

#### **The Shares may be subject to significant forced transfer provisions**

The Shares have not been registered and will not be registered in the United States under the U.S. Securities Act or under any other applicable securities laws (see page 24 of this document). If at any time the holding or beneficial ownership of any Shares by any person (whether on its own or taken with other Shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and/or its Shares being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act of 1934 and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Securities Exchange Act of 1934; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or

interpretations thereunder, the Directors may require the holder of such Shares to dispose of such Shares and, if the Shareholder does not sell such Shares, may dispose of such Shares on their behalf. These restrictions may make it more difficult for a U.S. Person to hold and Shareholders generally to sell the Shares and may have an adverse effect on the market value of the Shares (see paragraph 4.5.6 of Part 7 of this document).

## **RISKS RELATING TO THE PORTFOLIO**

### **The Company will be subject to the risks inherent in investing in securities**

The Company's investment objective is to seek capital appreciation by investing predominantly in equity securities of U.S. Companies. In addition, no more than 15 per cent. of the Gross Assets, at the time of investment, shall be invested in securities issued by companies other than U.S. Companies. Consequently, the Company will be subject to the risks inherent in investing in securities of U.S. Companies and other companies being:

#### ***Issuer risk***

The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services, as well as the historical and prospective earnings of the issuer and the value of its assets or factors unrelated to the issuer's value, such as investor perception.

#### ***Small and mid-cap companies risk***

Small and mid-cap companies carry additional risks because their earnings tend to be less predictable, their share prices more volatile and their securities less liquid than larger, more established companies. The shares of small and mid-cap companies tend to trade less frequently than those of larger companies, which can have an adverse effect on the pricing of these securities and on the ability to sell these securities when the Manager deems it appropriate.

#### ***Large cap companies risk***

The securities of large cap companies may underperform other segments of the market because such companies may be less responsive to competitive challenges and opportunities and may be unable to attain high growth rates during periods of economic expansion.

#### ***Non-U.S. securities risk***

The Company's performance will be influenced by political, social and economic factors affecting the non-U.S. countries and companies in which the Company invests. Non-U.S. securities carry special risks, such as the presence of less developed or less efficient trading markets, political instability, a lack of company information, differing auditing and legal standards, and, potentially, less liquidity. In addition, investments denominated in currencies other than U.S. dollars or Sterling may experience a decline in value, in U.S. dollar or Sterling terms, due solely to fluctuations in currency exchange rates.

### **The Company's portfolio may have less diversification than other equities funds**

The Company's Net Asset Value may be more vulnerable to changes in the market value of a single issuer or group of issuers and may be relatively more susceptible to adverse effects from any single corporate, industry, economic, market, political or regulatory occurrence than if the Company's portfolio consisted of securities issued by a larger number of issuers.

### **Suspension of trading could render it impossible for the Company to liquidate its positions and thereby expose the Company to losses**

Securities exchanges typically have the right to suspend or limit trading in any instrument traded on that exchange. A suspension could render it impossible for the Company to liquidate its positions and thereby expose the Company to losses.

### **A failure in the due diligence process may lead to inappropriate investment decisions**

Before making investments, the Manager conducts such due diligence as is deemed reasonable and appropriate based on the facts and circumstances applicable to each investment. There can be no assurance that due diligence investigations with respect to any investment opportunity will reveal or

highlight all relevant facts that may be necessary or helpful in evaluating that investment opportunity. Any failure by the Manager to identify relevant facts through the due diligence process may lead to inappropriate investment decisions, which could have a material adverse effect on the Company's profitability, Net Asset Value and the market price of the Shares.

#### **Catalyst events may take longer to occur, be renegotiated or not occur at all**

A risk associated with the Company's catalyst driven investment policy is that the arbitrage between PMV and market price achieved through anticipated catalyst events may involve a longer time frame to be realised than originally contemplated, may be renegotiated or restructured or may not happen at all, in which case losses may be realised. An element of this policy may also result in investments being made that seek a shorter term capital appreciation which may include investments in announced merger and acquisition transactions. This can be expected to increase the portfolio turnover rate and cause higher transaction costs to the Company.

#### **Merger and event driven risk**

Notwithstanding the generality of the above risk factor a particular risk associated with the Company's catalyst driven investment policy relates to the participation by the Company in announced takeover and merger situations which will rely on the Managers evaluation of the outcome of the transaction concerned. If the Manager's evaluation proves to be incorrect this may have a material adverse effect on the Company's performance and the return to Shareholders.

#### **Underperformance of the market in certain market conditions**

The Company's investment policy is not designed to benefit from general market appreciation or improved market conditions in the global economy. Accordingly the Company may underperform the market in certain market conditions, such as periods of rapid market appreciation, which could have a material adverse effect on the Company's performance and the return to Shareholders.

### **RISKS ASSOCIATED WITH THE MANAGER**

#### **The performance of the Company will depend on the ability and services of the Manager**

The performance of the Company will depend on: (i) the ability of the Manager to generate positive returns; and (ii) the Manager's ability to advise on, and identify, investments in accordance with the investment policy of the Company and to allocate the assets of the Company among all investments in an optimal way. Achievement of the investment objective will also depend, in part, on the ability of the Manager to provide competent, attentive and efficient services to the Company under the terms of the Management Agreement. If the Manager is incorrect in its assessment of the growth prospects of the investments the Company holds, then the value of the Company's shares may decline. There can be no assurance that, over time, the Manager will be able to provide such services or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

#### **The Company will depend on the managerial expertise available to the Manager**

The performance of the Company's investments will depend heavily on the skills available to the Manager to analyse, select and manage the investments. As a result, investors will be highly dependent on the financial and managerial experience of certain investment professionals associated with the Manager and any delegate of the Manager, none of whom is under any contractual obligation to the Company to continue to be associated with the Manager or any delegate of the Manager. The loss of one or more of these individuals could have a material adverse effect on the performance of the Company.

#### **There can be no assurance that a replacement manager will be found if the Manager resigns, is removed or otherwise no longer serves as the Manager**

The Management Agreement may be terminated by the Company or the Manager giving the other party at least 24 months' notice in writing, such notice not to be given earlier than the fourth anniversary of Admission. The Management Agreement may be terminated earlier by either party with immediate effect on the occurrence of certain events, including: (i) the other party commits any material breach of any of the terms of the Management Agreement and either such breach is incapable of remedy or the other party fails to remedy such breach within 30 days of being

requested in writing by the innocent party to do so; (ii) the other party goes into liquidation (apart from voluntary liquidation for the purposes of reconstruction or amalgamation on the terms previously agreed by the first party (such agreement not to be unreasonably withheld or delayed), or if a receiver is appointed over the whole or any of the other party's assets or if any analogous event occurs; or (iii) such termination is required by any competent governmental or regulatory authority. If the Management Agreement is terminated, the Directors would have to find a replacement manager for the Company and there can be no assurance that such a replacement will be found.

**The Manager may allocate some of their 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 and the market price of the Shares.

**Potential conflicts of interest**

The Manager and its affiliates serve as manager to other clients and the Manager's organisational and ownership structure involves a number of relationships. For example, the Manager and/or its affiliates may have conflicts of interest in allocating their time and activity between the Company and the other clients, in allocating investments among the Company and the other clients and in effecting transactions between the Company and other clients, including ones in which the Manager and/or its affiliates may have a greater financial interest. Affiliates of the Manager may, in the ordinary course of their business, acquire for their own account or for the accounts of their advisory clients, significant (and possibly controlling) positions in the securities of corporations that may also be suitable for investment by the Company. The securities in which the Company might invest may thereby be limited to some extent. For instance, many U.S. corporations in the past several years have adopted so-called "poison pill" or other defensive measures designed to discourage or prevent the completion of non-negotiated offers for control of the corporation. Such defensive measures may have the effect of limiting the shares of the corporation which might otherwise be acquired by the Company if affiliates of the Manager or their advisory accounts have or acquire a significant position in the same securities. However, the Manager does not believe that the investment activities of its affiliates will have a material adverse effect upon the Manager in seeking to achieve its investment objective. The Manager and/or its affiliates may give advice or take action with respect to such other clients that differs from the advice given or action taken with respect to the Company.

The Manager and/or its affiliates may be involved in other financial, investment and professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the Manager may provide investment management, investment advice or other services to a number of funds that may have similar investment policies to that of the Company.

**RISKS RELATING TO TAXATION AND REGULATION**

**The Company may not be able to maintain its investment trust status**

It is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions of 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 tax on chargeable gains or alter the post-tax returns to Shareholders. It is not possible to guarantee that the Company will remain non-close, which is a requirement to obtain and maintain status as an investment trust, as the Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for approval as an investment trust, will, as soon as reasonably practicable, notify Shareholders of this fact.

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

Investors should consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Company. Representations in this document concerning the taxation



of investors or prospective investors in Shares are based upon current tax law and practice, each of which is in principle 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.

**The Company has not registered and will not register as an investment company under the U.S. Investment Company Act**

The Company will seek to qualify for an exemption from the definition of "investment company" under the U.S. Investment Company Act and will not register as an investment company in the United States under the U.S. Investment Company Act. The U.S. Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, none of which are applicable to the Company or its investors.

In addition, to avoid being required to register as an investment company under the U.S. Investment Company Act and to avoid violating such act, the Company has implemented restrictions on the ownership of its Shares, which may materially affect the ownership of Shares by U.S. Persons.

**The Company's assets could be deemed "plan assets" that are subject to the requirements of ERISA and/or Section 4975 of the U.S. Code**

The purchase of Shares by an employee benefit plan subject to ERISA, or Section 4975 of the U.S. Code or by any entity whose assets are treated as assets of any such plan, could result in the assets of the Company being considered plan assets for the purposes of ERISA, and/or Section 4975 of the U.S. Code and regulations made thereunder. In such circumstances the Company and the Manager and also the fiduciaries of such an employee benefit plan could be liable for any ERISA violations by the Company and the Manager and for other adverse consequences under ERISA. Each purchaser and transferee of Shares will be deemed to have represented by its purchase or receipt of the Shares, and throughout the period that it holds the Shares, that it is not an employee benefit plan subject to ERISA or Section 4975 of the U.S. Code or an entity whose assets are treated as assets of any such employee benefit plan. The Directors are also empowered by the Articles to require Shareholders, which they consider may because of their shareholding result in the assets of the Company being considered plan assets, to transfer their Shares in order to reduce this risk materialising. See paragraph 4.5.6 of Part 7 of this document for further details.

**Greater regulation of the financial services industry, which imposes additional restrictions on the Company, may materially affect the Company's business and its ability to achieve its investment objective**

The U.S. Congress has enacted sweeping financial legislation, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "**Dodd-Frank Act**"), signed into law by President Obama on 21 July 2010, regarding the operations of banks, private fund managers and other financial institutions, which includes provisions regarding the regulation of derivatives. Many provisions of the Dodd-Frank Act have been or will be implemented through regulatory rulemaking and similar processes over a period of time. The impact the Dodd-Frank Act, and of follow-on regulations, on trading strategies and operations is impossible to predict, and may be adverse. Practices and areas of operation subject to significant change based on the impact, direct or indirect, of the Dodd-Frank Act and follow-on regulation, may change in manners that are unforeseeable, with uncertain effects. There can be no assurance that future regulatory action will not result in additional market dislocation. It is impossible to predict the nature, timing and scope of future changes in laws and regulations applicable to the Company and the Manager, the markets in which they trade and invest or the counterparties with which they do business. Any such changes in laws and regulations may have a material adverse effect on the ability of the Company to carry out its business, to successfully pursue its investment policy and to realise its profit potential, and may include a requirement of increased transparency as to the identity of investors in the Company. Any such event may materially adversely affect the investment returns of the Company.

**Foreign Account Tax Compliance (commonly known as "FATCA")**

The FATCA provisions are U.S. provisions contained in the U.S. Hiring Incentives to Restore Employment Act of 2010, FATCA is aimed at reducing tax evasion by U.S. citizens.

FATCA imposes a withholding tax of 30 per cent. on: (i) certain U.S. source interest, dividends and certain other types of income; and (ii) beginning no earlier than 1 January 2017 the gross proceeds from the sale or disposition of assets which produce U.S. source interest or dividends and, potentially on “foreign passthru payments” (a term which is not yet defined), which are received by a foreign financial institution (“**FFI**”), unless the FFI complies with certain reporting and other related obligations under FATCA. The UK has concluded an intergovernmental agreement (“**IGA**”) with the U.S., pursuant to which parts of FATCA have been effectively enacted into UK law.

Under the IGA, an FFI that is resident in the UK (a “**Reporting FI**”) is not subject to withholding under FATCA provided that it complies with the terms of the IGA, including requirements to register with the IRS and requirements to identify, and report certain information on, accounts held by certain U.S. persons owning, directly or indirectly, an equity or debt interest in the Company (other than equity and debt interests that are regularly traded on an established securities market, as described below) and report on accounts held by certain other persons or entities to HMRC, which will exchange such information with the U.S. Internal Revenue Service.

The Company expects that it will be treated as a Reporting FI pursuant to the IGA and that it will comply with the requirements under the IGA and relevant UK legislation. The Company also expects that its Shares may, in accordance with the current HMRC practice, comply with the conditions set out in the IGA to be “regularly traded on an established securities market” meaning that the Company should not have to report specific information on its Shareholders and their investments to HMRC. However, there can be no assurance that the Company will be treated as a Reporting FI, that its Shares will be considered to be “regularly traded on an established securities market” or that it will not in the future be subject to withholding tax under FATCA or the IGA. If the Company becomes subject to a withholding tax as a result of FATCA or the IGA, the return on investment for some or all Shareholders may be materially adversely affected.

The UK has also concluded similar intergovernmental agreements (“**Additional IGAs**”) with other jurisdictions (including the Isle of Man, Guernsey and Jersey (the “**Crown Dependencies**”) and seven of the British Overseas Territories (Cayman Islands, Gibraltar, Montserrat, Bermuda, the Turks and Caicos Islands, the British Virgin Islands and Aguilla)). The additional IGAs with the Crown Dependencies and Gibraltar may require the Company to report more widely on its Shareholders, although the Company expects that it may be able to benefit from a similar reporting exemption to that contained in the IGA outlined above.

Other jurisdictions are also considering introducing FATCA-style legislation in order to obtain information about their respective tax residents. Again, these may require the Company to report more widely on its Shareholders but the exact scope of such rules will need to be determined on a jurisdiction by jurisdiction basis. Accordingly, Shareholders may be required to provide certain identifying information to the Company, which information may be disclosed to relevant tax authorities.

**FATCA, the IGA and the Additional IGAs are complex. The above description is based in part on regulations, official guidance, the IGA and the Additional IGAs, all of which are subject to change. All prospective investors and Shareholders should consult with their own tax advisers regarding the possible implications of FATCA or FATCA-style legislation on their investment in the Company.**

#### **Alternative Investment Fund Managers Directive**

The AIFM Directive, which was due to be transposed by the EEA member states into national law on 22 July 2013, seeks to regulate alternative investment fund managers (“**AIFMs**”) and imposes obligations on AIFMs in the EEA or who market shares in such funds to EEA investors. In order to obtain authorisation under the AIFM Directive, an AIFM needs to comply with various organisational, operational and transparency obligations, which may create significant additional compliance costs, some of which may be passed to investors in the alternative investment funds they manage (“**AIFs**”) and may affect dividend returns.

Whilst the Manager is the AIFM, the marketing of Shares to EEA investors will be restricted and will need to be undertaken in accordance with the relevant national private placement regimes of any EEA member states in which marketing takes place. The Manager has filed a notification with the FCA pursuant to Article 42 of the AIFM Directive to market the Shares in the UK under the UK national private placement regime.



Any regulatory changes arising from the AIFM Directive (or otherwise) that limits the Company's ability to market future issues of its Shares may materially adversely affect the Company's ability to carry out its investment policy successfully and to achieve its investment objective, which in turn may adversely affect the Company's business, financial condition, results of operations, Net Asset Value and/or the market price of the Shares.

## **IMPORTANT INFORMATION**

### **GENERAL**

No broker, dealer or other person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Shares other than those contained in this document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company.

Prospective investors should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Shares. Prospective investors must rely upon their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Company and an investment in the Shares.

This document should be read in its entirety before making any application for Shares. All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

In connection with the Placing, Investec or any of its affiliates acting as an investor for its or their own account(s) may subscribe for 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 Placing or otherwise. Accordingly, references in this document to the Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, Investec or any of its affiliates acting as an investor for its or their own account(s). Investec does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this document and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this document is received are required to inform themselves about and to observe such restrictions.

### **FOR THE ATTENTION OF UNITED STATES RESIDENTS**

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares are being offered or sold only outside the United States to non-U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Shares in the United States or to U.S. Persons may constitute a violation of U.S. law or regulation. Any person in the United States who obtains a copy of this document is requested to disregard it.

## **FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN CANADA, JAPAN, AUSTRALIA OR THE REPUBLIC OF SOUTH AFRICA**

The offer and sale of Shares has not been and will not be registered under the applicable securities laws of Canada, Japan, Australia or the Republic of South Africa. Subject to certain exemptions, the Shares may not be offered to or sold within Canada, Japan, Australia or the Republic of South Africa or to any national, resident or citizen of Canada, Japan, Australia or the Republic of South Africa.

## **FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA**

In relation to each Relevant Member State, no Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant Member State prior to the publication of a document in relation to the Shares which has been approved by the competent authority in that Relevant Member State, or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Shares to the public may be made at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- (a) to any legal entity which is a “qualified investor” as defined in the Prospectus Directive;
- (b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Shares in any Relevant Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and the amendments thereto, including Directive 2010/73/EU) (the “**2010 PD Amending Directive**”), to the extent implemented in the Relevant Member State and includes any relevant implementing measure in each Relevant Member State.

In addition, Shares will only be offered to the extent that the Company: (i) is permitted to be marketed into the relevant EEA jurisdiction pursuant to either Article 36 or 42 of the AIFM Directive (if and as implemented into local law); or (ii) can otherwise be lawfully offered or sold (including on the basis of an unsolicited request from a professional investor).

## **FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN GUERNSEY**

Shares in the Company may be offered directly only to those businesses holding licences under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended (the “**POI Law**”), the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Regulation of Fiduciaries, Administration Businesses and Company Directors etc. (Bailiwick of Guernsey) Law, 2000, the Insurance Business (Bailiwick of Guernsey) Law, 2002 or the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002. Private investors may be offered Shares only by appropriately licensed operators under the POI Law.

## **FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN JERSEY**

This document may be circulated in Jersey only by persons who are registered by the Jersey Financial Services Commission in accordance with the Financial Services (Jersey) Law 1998, as amended (the “**FSL**”) for the conduct of financial services business and the distribution of this document, or are exempt from such registration in accordance with the FSL. In addition, this document may be circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom. Consent for the

circulation of this document in accordance with article 8 of the Control of Borrowing (Jersey) Order 1958, as amended, has not been sought from or given by the Jersey Financial Services Commission.

## **FOR THE ATTENTION OF RESIDENTS OF SWITZERLAND**

Neither the Shares nor this document or any other offering material relating to the Company may be distributed in or from Switzerland. The Company is not authorised by or registered with the Swiss Financial Market Supervisory Authority FINMA (“**FINMA**”) under the Swiss Federal Act on Collective Investment Schemes (“**CISA**”). Therefore, investors do not benefit from protection under CISA or supervision by FINMA. Neither this document nor any other offering or marketing material relating to the Company constitutes a prospectus as that term is understood pursuant to article 652a or 1156 of the Swiss Federal Code of Obligations or a prospectus pursuant to the CISA.

## **PRESENTATION OF INDUSTRY, MARKET AND OTHER DATA**

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

## **CURRENCY PRESENTATION**

Unless otherwise indicated, all references in this document to “GBP”, “pounds sterling”, “£” or “p” are to the lawful currency of the UK and all references to “U.S.\$”, “U.S. Dollars”, “\$” or “¢” are to the lawful currency of the United States.

## **GOVERNING LAW**

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

## **WEBSITE**

The contents of the Company’s website, [www.gabelli.co.uk/investment\\_trusts/valueplus](http://www.gabelli.co.uk/investment_trusts/valueplus), do not form part of this document. Investors should base their decision whether or not to invest in the Shares on the contents of this document alone.

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

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

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

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 9 of Part 7 of this document.

## EXPECTED TIMETABLE

Placing and Offer for Subscription opens	29 January 2015
Latest time and date for receipt of Application Forms under the Offer for Subscription	1.00 p.m. on 11 February 2015
Latest time and date for commitments under the Placing	5.00 p.m. on 11 February 2015
Announcement of the results of the Placing and Offer for Subscription	8.00 a.m. on 13 February 2015
Admission of the Shares to the Official List of the UKLA and dealings in the Shares commence on the main market for listed securities of the London Stock Exchange	8.00 a.m. on 17 February 2015
Crediting of CREST stock accounts in respect of the Shares	17 February 2015
Share certificates despatched in respect of the Shares	week commencing 2 March 2015 (or as soon as possible thereafter)

*The dates and times specified are subject to change subject to agreement between the Company and Investec. All references to times in this document are to London time unless otherwise stated.*

## ISSUE STATISTICS

Issue Price	100 pence
Gross proceeds of the Issue*	£250 million
Net proceeds of the Issue*	a minimum of £247.5 million
Net Asset Value per Share at Admission	a minimum of 99 pence

\* Assuming that the Issue is subscribed as to 250 million Shares. The number of Shares to be issued pursuant to the Issue, and therefore the gross proceeds of the Issue and the net proceeds of the Issue, is not known as at the date of this document but will be notified by the Company via a Regulatory Information Service prior to Admission. The Issue will not proceed if the Initial Gross Proceeds are less than £100 million. If the Issue does not proceed, subscription monies received will be returned without interest at the risk of the applicant.

## DEALING CODES

The dealing codes for the Shares will be as follows:

ISIN	GB00BTLJYS47
SEDOL	BTLJYS4
Ticker	GVP

## DIRECTORS, INVESTMENT MANAGER AND ADVISERS

Non-Executive Directors	<p>Andrew Bell (<i>Chairman</i>)  Richard Fitzalan Howard  Rudolf Bohli  Charles Irby</p> <p>all of the registered office below:</p>
Registered Office	<p>5th Floor  6 St Andrew Street  London  EC4A 3AE</p>
Manager	<p>Gabelli Funds, LLC  One Corporate Center  Rye  New York  10580-1422</p>
Administrator and Custodian	<p>State Street Bank and Trust Company  20 Churchill Place  Canary Wharf  London  E14 5HJ</p>
Depository	<p>State Street Trustees Limited  20 Churchill Place  Canary Wharf  London  E14 5HJ</p>
Company Secretary	<p>TMF Corporate Secretarial Services Ltd  5th Floor  6 St Andrew Street  London  EC4A 3AE</p>
Sponsor, Global Coordinator and Bookrunner	<p>Investec Bank plc  2 Gresham Street  London  EC2V 7QP</p>
Solicitors to the Company	<p>Wragge Lawrence Graham &amp; Co LLP  4 More London Riverside  London  SE1 2AU</p>
Solicitors to the Sponsor, Global Coordinator and Bookrunner	<p>Travers Smith LLP  10 Snow Hill  London  EC1A 2AL</p>
Auditors and Reporting Accountants	<p>PricewaterhouseCoopers LLP  1 Embankment Place  London  WC2N 6RH</p>
Registrar and Receiving Agent	<p>Computershare Investor Services PLC  The Pavilions  Bridgwater Road  Bristol  BS13 8AE</p>



## **PART 1**

### **INFORMATION ON THE COMPANY**

#### **INTRODUCTION**

Gabelli Value Plus+ Trust Plc was incorporated on 18 December 2014 with limited liability. The Company intends to carry on business as an investment trust within the meaning of section 1158 of the CTA 2010.

The Company will be managed by Gabelli Funds, LLC. The Manager is a New York limited liability company which serves as an investment adviser to 15 open-end and 11 closed-end U.S. registered managed investment companies, with combined aggregate net assets in excess of U.S.\$26 billion as of 30 September 2014. The Manager is a registered investment adviser under the Investment Advisers Act of 1940, as amended. The Manager is a wholly owned subsidiary of GAMCO Investors, Inc., a New York corporation whose Class A Common Stock is traded on the New York Stock Exchange under the symbol "GBL". As at 30 September 2014, GAMCO Investors, Inc., together with its affiliated companies (including the Manager), had assets under management of approximately U.S.\$46.9 billion.

Shares are available to investors through the Placing and Offer for Subscription at an issue price of 100 pence per Share.

GAMCO Investors, Inc. has undertaken to the Company that it, or one of its affiliated entities, will subscribe, pursuant to the GAMCO Subscription Agreement, for such number of Shares as will equal 10 per cent. of the total number of shares allotted pursuant to the Placing and the Offer for Subscription.

Applications will be made to the UK Listing Authority and to the London Stock Exchange for all of the Shares (issued and to be issued) to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings in the Shares will commence at 8.00 a.m. on 17 February 2015.

#### **INVESTMENT OBJECTIVE**

The Company's investment objective is to seek capital appreciation by investing predominantly in equity securities of U.S. Companies.

#### **INVESTMENT POLICY**

The Company will seek to meet its investment objective by investing predominantly in equity securities of U.S. Companies, of any market capitalisation.

In selecting such securities the Manager will utilise its proprietary Private Market Value ("**PMV**") with a Catalyst™ methodology. PMV is the value that the Manager believes an informed industrial buyer would be willing to pay to acquire an entire company. The Manager arrives at a PMV valuation by a rigorous assessment of fundamentals (focusing on the balance sheet, earnings and free cash flow) from publicly available information and judgment gained from its comprehensive, accumulated knowledge of a variety of sectors.

The Manager's fundamental research seeks to identify investments typically featuring, but not limited to, differentiated franchise businesses with organic cash flow, balance sheet opportunities and operational flexibility. The Manager will seek to identify businesses whose securities trade in the public markets at a significant discount to their PMV estimate which the Manager refers to as a "Margin of Safety".

Having identified such securities, the Manager will seek to identify one of more "catalysts" that will help to narrow or eliminate the Margin of Safety. Catalysts can come in many forms including, but not limited to, corporate restructurings (such as demergers and asset sales), operational improvements, regulatory or managerial changes, special situations (such as liquidations) and mergers and acquisitions.

The Manager seeks value creation through its process of bottom-up stock selection and its implementation of a disciplined portfolio construction process.

Once fully invested, the Company anticipates having a portfolio consisting typically of between 40 to 60 holdings. It is anticipated that these holdings will represent the majority of the portfolio. The Company may have more or fewer holdings from time to time depending upon the nature of the portfolio and market conditions.

In addition to equity securities of U.S. Companies, the Company may (subject to the investment restrictions set out below) also invest in other securities from time to time including non-U.S. securities, convertible securities, fixed interest securities, preferred stock, non-convertible preferred stock, depositary receipts, warrants and other rights. Subject to the investment restrictions set out below, there is no limitation on the number of investments which may be exposed to any one type of catalyst event, including demergers, restructurings or announced mergers and acquisitions.

The Company may invest through derivatives for efficient portfolio management and for investment purposes. Any use of derivatives for efficient portfolio management and for investment purposes will be subject to the investment restrictions set out below.

## **Risk diversification**

### ***General***

Portfolio risk will be mitigated by investing in a diversified spread of investments. In particular, the Company will observe the following investment restrictions:

- no single investment shall, at the time of investment, account for more than 10 per cent. of the Gross Assets;
- no more than 15 per cent. of the Gross Assets, at the time of investment, shall be invested in securities issued by companies other than U.S. Companies; and
- no more than 25 per cent. of the Gross Assets, at the time of investment, shall be exposed to any one industry (as defined by the MSCI industry groups according to the GICS (global industry classification standards) categorisation).

The Company may adopt a temporary defensive position where it determines that adverse market conditions exist and invest some or all of the portfolio in:

- cash or cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a single-A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency; or
- any “government and public securities” as defined for the purposes of the FCA Handbook.

In addition, uninvested cash or surplus capital or assets may be invested on a temporary basis in such assets.

### ***Derivatives and short selling***

If the Company invests in derivatives and/or structured financial instruments for investment purposes and/or for efficient portfolio management purposes, the total notional value of derivatives and/or structured financial instruments at the time of investment will not exceed, in aggregate, 10 per cent. of its Gross Assets. The Company may take both long and short positions. The Company may short up to a limit of 10 per cent. of its Gross Assets. For shorting purposes, the Company may use indices or individual stocks.

When investing via derivatives and/or structured financial instruments (whether for investment purposes and/or for efficient portfolio management purposes), the Company will seek to mitigate and/or spread its counterparty risk exposure by collateralisation and/or contracting with a potential range of counterparty banks, as appropriate, each of whom shall, at the time of entering into such derivatives and/or structured financial instruments, have a single-A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency.

In the event of a breach of the investment guidelines and restrictions set out above, the Manager will 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 and the Manager will look to resolve the breach with the agreement of the Board.

## **Borrowing policy**

The Company may borrow up to 15 per cent. of Net Asset Value (calculated at the time of draw down). Borrowings may be used for investment and/or working capital purposes.

In accordance with the requirements of the UK Listing Authority, any material change to the Company's investment policy will require the approval of Shareholders by way of an ordinary resolution at a general meeting.

## **DIVIDEND POLICY**

Subject to compliance with the Companies Act, the Company intends to pay Sterling dividends on a semi-annual basis with dividends declared in July and November and expected to be paid no later than September and January in each relevant year. Dividend yield is a by-product of the investment process and the amount of a dividend (if any) shall be determined by the Board accordingly but is anticipated to be in the range of the broad U.S. market with approximately a 1 to 3 per cent. gross yield on Admission. The Company intends to declare its first interim dividend in November 2015 in respect of the period to September 2015 to be paid no later than January 2016.

The anticipated dividend yield is not a profit forecast or a target return. It has been based on the average historic yields of two representative All Cap Value accounts managed by the Manager over the period from 31 December 2004 to 31 December 2014 and investors should have no expectation the Company will pay dividends as anticipated above or at all. Past performance is not a guide to future performance.

## **MEETINGS, REPORTS AND ACCOUNTS**

The audited accounts of the Company will be prepared in Sterling under UK GAAP. The Company's annual report and accounts will be prepared up to 31 March each year, with the first accounting period of the Company ending on 31 March 2016. It is expected that copies of the report and accounts will be sent to Shareholders by the end of July each year. Shareholders will also receive an unaudited half-yearly report covering the six months to 30 September each year, which is expected to be dispatched within the following two months. The first financial report and accounts that Shareholders will receive will be the half yearly report for the period ending on 30 September 2015 (covering the period from incorporation of the Company).

The Company intends to hold its first annual general meeting before 30 September 2016 and will hold an annual general meeting each year thereafter.

The Manager also intends to publish quarterly factsheets on its website summarising the Company's performance.

## **NET ASSET VALUE**

The unaudited Net Asset Value per Share will be calculated and published in Sterling by the Administrator on a daily basis. Details relating to the calculation of the Net Asset Value per Share are set out at Part 4 of this document.

## **CASH USES AND CASH MANAGEMENT ACTIVITIES**

In accordance with the Company's investment policy, the Company's principal use of cash (including the net proceeds of the Issue) will be to fund investments sourced by the Manager, as well as initial expenses related to the Issue, ongoing operational expenses and payment of dividends and other distributions to Shareholders in accordance with the Company's dividend policy as set out in the section entitled "Dividend Policy" above. The current intention of the Company and the Manager is not to hedge the currency exposure between U.S. dollars and Sterling, however, under the Company's investment policy the Board retains the authority to enter into currency hedging arrangements for efficient portfolio management purposes, if considered appropriate.

The Company may from time-to-time have surplus cash (for example, following the disposal of an acquired investment). It is expected that any surplus cash will be temporarily invested in cash or cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a single-A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency; or "government and public securities" as defined for the purposes of the FCA Handbook.

## **PREMIUM/DISCOUNT MANAGEMENT**

The Board has the discretion to seek to manage the premium/discount rating at which the Shares may trade to their Net Asset Value per Share through further issues, tender offers and buy-backs, as appropriate. By virtue of the fact that the management fee payable to the Manager is calculated on the basis of Market Capitalisation the interests of the Manager, the Company and Shareholders are aligned in terms of seeking to ensure that the Shares do not trade at a discount to the Net Asset Value per Share.

### **Discount control**

The Directors recognise the importance to investors of the Shares not trading at a significant discount to their prevailing Net Asset Value. To the extent that the Shares trade at a significant discount to this prevailing Net Asset Value the Board will consider whether (in the light of the prevailing circumstances) the Company should purchase its own Shares (whether pursuant to the general authority referred to below or pursuant to the tender offers made on appropriate terms).

The Board anticipates that the combination of the discount protection mechanism offered by the facility to buy-back Shares, together with the prospect of tender offers for Shares, will serve to maintain any discount at a consistently low level. There is, however, no guarantee or assurance that the discount control mechanisms proposed by the Board will reduce any discount.

### **Repurchase of Shares**

The Directors will consider repurchasing Shares in the market if they believe it to be in Shareholders' interests and as a means of correcting any imbalance between supply of and demand for the Shares. Any purchase of Shares by the Company will be in accordance with the Articles, the Listing Rules and the rules of the London Stock Exchange in force at the time.

In accordance with the Companies Act, Shares may only be repurchased out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or out of distributable profits. The Directors intend, following Admission, to apply to the Court to cancel the share premium account so as to create a new special reserve which may be treated as distributable profits and out of which tender offers and share buy-backs may be funded.

A special resolution has been passed granting the Directors authority to repurchase up to 14.99 per cent. of the Company's issued share capital immediately following Admission during the period expiring on the conclusion of the Company's first annual general meeting. Renewal of this buy-back authority will be sought at each annual general meeting of the Company.

Purchases of Shares will only be made through the market at prices (after allowing for costs) below the relevant prevailing Net Asset Value per Share and otherwise in accordance with guidelines established from time-to-time by the Board. Under the current Listing Rules, the maximum price that may be paid by the Company on the repurchase of any Shares pursuant to a general authority is 105 per cent. of the average of the middle market quotations for the Shares for the five Business Days immediately preceding the date of purchase or, if higher, that stipulated by Article 5(1) of the Buy-Back and Stabilisation Regulation (EC No 227312003). The minimum price will not be below the nominal value of one penny in respect of the Shares.

### **Continuation vote**

If after the end of the fifth full financial year of the Company's existence (being 31 March 2020) (or at the end of any subsequent fifth financial year), the Shares have traded, on average, at a discount in excess of 10 per cent. of the Net Asset Value per Share in that financial year, the Directors will consider proposing a special resolution at the Company's next annual general meeting that the Company ceases to continue in its present form. If such vote is proposed and passed, the Board will be required to formulate proposals to be put to Shareholders within 12 months to wind up or otherwise reconstruct the Company. Any such proposals may incorporate arrangements which enable investors who wish to continue to be exposed to the Company's investment portfolio to maintain some or all of their existing exposure.

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

Investors should note that there is no guarantee, whether or not the Directors exercise their discretion to purchase Shares or to propose a continuation rate as outlined above, that the Shares will not trade at a discount to their prevailing Net Asset Value per Share.

### **Premium management**

In the event that the Shares trade at a premium to the Net Asset Value per Share, the Company may issue new Shares. The Directors have authority to issue up to an amount equal to 10 per cent. of the Shares in issue immediately following Admission on a non-pre-emptive basis. Such authority will expire at the conclusion of the Company's first annual general meeting. Shareholders' pre-emption rights over this unissued share capital have been disapplied so that the Directors will not be obliged to offer any new Shares to Shareholders *pro rata* to their existing holdings. The reason for this is to retain flexibility, following Admission, to issue new Shares to investors. Renewal of these authorities will be sought at each annual general meeting of the Company. Unless authorised by Shareholders, no Shares will be issued at a price less than the prevailing Net Asset Value per Share at the time of their issue unless they are first offered *pro rata* to existing Shareholders.

Shares may be issued without the publication of a prospectus in accordance with exemptions set out in the Prospectus Rules, which currently allow for the issue of shares representing, over a rolling 12 month period, less than 10 per cent. of the number of shares of the same class already admitted to trading on the same regulated market, provided that such issue is not made by way of an offer of the Company's securities to the public.

Investors should note that the issuance of new 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 Shares that may be issued.

### **Treasury shares**

Any Shares repurchased pursuant to the general buy-back authority or discretionary tender offers referred to above may be held in treasury. The Companies Act allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. These shares may be subsequently cancelled or sold for cash. This would give the Company the ability to reissue Shares quickly and cost efficiently, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base.

The Board intends only to authorise the sale of Shares from treasury at prices at or above the prevailing Net Asset Value per Share (plus costs of the relevant sale). This should result in a positive overall effect for Shareholders if Shares are bought back at a discount and then sold at a price at or above the Net Asset Value per Share (plus costs of the relevant sale).

### **C Shares**

If there is sufficient demand at any time following Admission, the Company may seek to raise further funds through the issue of C Shares. The rights conferred on the holders of C Shares or other classes of shares issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of the issue of the relevant shares) be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

The Articles contain the C Share rights, full details of which are set out in paragraph 4.21 of Part 7 of this document.

The C Shares would be available for issue by the Company (subject to the listing of the C Shares on the premium listing segment of the Official List and admission to trading on the London Stock Exchange) if the Directors consider it appropriate to avoid the dilutive effect that the proceeds of the issue might otherwise have on the existing assets of the Company. The Directors have authority to issue up to 250 million C Shares until the fourth annual general meeting of the Company. Shareholders' pre-emption rights over this unissued share capital have been disapplied.

A new class of C Shares may be issued by the Company if there are in issue C Shares that have not been converted into Shares prior to the date on which the Company issues further C Shares.



## **THE ISSUE**

The target size of the Issue is up to £250 million, before expenses. The actual number of Shares to be issued pursuant to the Issue, and therefore the Initial Gross Proceeds, are not known as at the date of this document but will be notified by the Company via a Regulatory Information Service announcement prior to Admission.

GAMCO Investors, Inc. has undertaken to the Company that it, or one of its affiliated entities, will subscribe, pursuant to the GAMCO Subscription Agreement, for such number of Shares as will equal 10 per cent. of the total number of Shares allotted pursuant to the Placing and the Offer for Subscription.

Investec has agreed to use its reasonable endeavours to procure subscribers pursuant to the Placing for Shares at the Issue Price on the terms and subject to the conditions set out in the Placing and Offer Agreement.

The Company has agreed to make an offer of Shares pursuant to the Offer for Subscription at the Issue Price, subject to the terms and conditions of the Offer for Subscription. These terms and conditions should be read carefully before an application is made. Investors should consult their independent financial adviser if they are in any doubt about the contents of this document or the acquisition of Shares.

## **THE AIFM DIRECTIVE**

Under the AIFM Directive, certain conditions must be met to permit the marketing of shares in AIFs to prospective and existing investors in the EEA, including that prescribed disclosures are made to such investors. Certain provisions of the AIFM Directive still require the establishment of guidelines, and the AIFM Directive is still being implemented in a number of EEA member states. It is also possible that interpretation of the AIFM Directive may vary among the EEA member states. It is therefore difficult to predict the full impact of the AIFM Directive on the Company and the Manager and the effect on the Company and the Manager may vary over time. The AIFM Directive may result in requirements to make certain reports and disclosures to regulators of EEA member states and of members of the EEA in which Shares and/or C Shares are marketed. Such reports and disclosures may become publicly available.

The Company currently intends to operate as an externally managed EEA domiciled AIF with a non-EEA AIFM for the purposes of the AIFM Directive and as such neither it nor the Manager will be required to seek full-scope authorisation under the AIFM Directive. However, following national transposition of the AIFM Directive in a given EEA member state, the marketing of shares in EEA AIFs that are managed by a non-EEA AIFM (such as the Manager) to investors in that EEA member state is prohibited unless certain conditions are met. The Manager has filed a notification with the FCA pursuant to Article 42 of the AIFM Directive to market the Shares in the UK under the UK national private placement regime.

The Company cannot guarantee that any relevant conditions to marketing will be satisfied. In cases where any such conditions are not satisfied, the ability of the Company to market Shares and/or C Shares or raise further equity capital in the EEA may be limited or removed.

Any regulatory changes arising from implementation of the AIFM Directive (or otherwise) that limit the Company's ability to market future issues of its Shares and/or C Shares may materially adversely affect the Company's ability to carry out its investment policy successfully and to achieve its investment objective, which in turn may adversely affect the Company's business, financial condition, results of operations, Net Asset Value and/or the market price of the Shares.

The Company and the Manager may, in the future, if considered operationally efficient transfer the portfolio management and risk management functions for the Company to an FCA authorised affiliate of the Manager which is authorised to act as a full-scope AIFM under the AIFM Directive.

## **NON-MAINSTREAM POOLED INVESTMENTS**

As an investment trust, the Shares will be "excluded securities" under the FCA's rules on non-mainstream pooled investments. Accordingly, the promotion of the Shares is not subject to the FCA's restriction on the promotion of non-mainstream pooled investments.

## **TAXATION**

Potential investors are referred to Part 6 of this document for details of the taxation of the Company and Shareholders 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 immediately.

## **RISK FACTORS**

The Company's performance 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 13 to 23 of this document.



## PART 2

### ADDITIONAL INVESTMENT THEMES

The Manager believes there is a compelling opportunity for investment in U.S. equities utilising the Manager's Private Market Value with a Catalyst™ methodology. This methodology has at its foundation the principles first articulated in 1934 by the founders of modern security analysis, Benjamin Graham and David Dodd. The approach applies a holistic understanding of a company from the perspective of long term ownership, coupled with clearly identified catalysts to realise returns in the marketplace. This process is active and dynamic, and involves the full utilisation of all available public sources of information.

The process begins by focusing on a company's underlying fundamentals, looking for changes in their market positions and assessing their ability to generate free cash flow. Cash flow is viewed as a barometer of financial health and often foreshadows earnings trends. The Manager develops proprietary forecasts for the direction and growth rates of the earnings and cash flow streams where an investment is considered. Throughout this investment process, the Manager seeks to identify franchise businesses with competitive market positioning, ideally dominating their particular local markets in terms of geography, customer captivity, or in the context of a proprietary technology.

The second step in the process is to examine the balance sheet. The corporate balance sheet is recast, assessing real-world values of inventories, property, plant and equipment and stated book value. To these two analytical processes, dynamic forecasting and more static asset and liability valuation, the Manager adds an assessment of what the company is likely to be worth to an informed investor, be it a strategic or financial buyer. This is termed the Private Market Value ("PMV"). The Manager can then identify companies trading in the public market at prices different to the Manager's estimates of their PMVs. This valuation spread is also referred to as a "Margin of Safety".

The identification of such valuation differentials, however, does not alone ensure an attractive investment. The next step is to identify events that will narrow the spread between a stock's public market price and the Manager's determination of its PMV. The Manager calls these events "catalysts". Catalysts are developments in the company's industry or intrinsic to the company itself that can act to narrow the differential between the public market price and the company's PMV. Catalysts include changes in accounting rules or the tax and regulatory environment, or are company specific with changes in fundamentals as result of processes or technology, management, restructurings such as spin-offs and asset sales, or other financial engineering and M&A activity.

The Manager's Private Market Value with a Catalyst™ methodology, supported by deep, bottom-up research, pre-disposes the Manager towards companies with undervalued assets and managements focused on surfacing value for those assets. Therefore, an essential element in the Manager's active investment process involves the evaluation of the investment's executive management. The Manager regularly visits the executive management of hundreds of companies and integrates their plans and objectives within the Manager's knowledge base. The goal is to understand executive managements' motivations and expectations. The Manager assesses the company executives, its boards of directors, their motivations and alignment mechanisms, such as governance and ownership, to determine whether these are consistent with the aim of enhancing shareholder value.

Beyond the assessment of the quality and vision of management and company boards, the Manager has actively sought to engage with the management of investee companies to initiate potential value enhancing catalysts and promote good corporate governance. In instances where the alignment can be improved for the benefit of shareholders, the Manager will actively work through the available corporate governance mechanisms in an attempt to help realise value. Accordingly, the Manager will lobby and vote as follows:

#### For

Cumulative voting  
Golden parachutes  
One share, one vote  
Cash incentives  
Pre-emption rights

#### Against

Greenmail  
Poison pills  
Supermajority voting  
Blank cheque preferreds  
Super-dilutive stock options

The Manager's discretionary campaigns seeking to actively realise values have taken several forms, and include detailed regulatory filings, proxy contests, merger vetoes, shareholder proposals, and governance improvement, such as opposition to poison pills and incumbent director candidates. The Manager is an active shareholder through the holdings of its managed funds that are subject to 13D filings with the SEC. A 13D is a required filing with the Securities and Exchange Commission that permits the Manager to actively engage with a particular company. The filing is made after an ownership threshold is reached at or above 5 per cent. of the shares outstanding. The Manager has filed on behalf of its funds 13Ds in 120 companies in the U.S. as at 31 December 2014.

According to statistics from FactSet, and as reported in the "The Deal Economy", as of November 2014, the Manager has launched 55 activist campaigns since January 2009, more than any other institutional shareholder in the U.S. over that period. The Manager believes that discretionary activist campaigns can help enhance value for shareholders. For example, a company's board of directors having agreed to a merger or sale at valuations different than the Manager's estimate of PMV, may be challenged through an appraisal rights process in which the Manager seeks the reappraisal of valuations through a well-defined legal process as mandated through the U.S. legal system. If successful, such a process will benefit shareholders of record that subscribe to the appraisal process and offer an opportunity to earn returns dependent on a court ruling referencing the Manager's estimate of PMV.

Increasingly, public company corporate managements are using financial engineering to create and realise value. The Manager believes this trend further supports its investment methodology. Such catalysts could include (but are not limited to) spin-offs, exchange offers and related transactions, capitalisation shrinks through share repurchases, and a conversion to a more tax efficient structure, such as a REIT.

The Manager believes that financial engineering can act as the catalyst to unlock value in a number of discrete ways:

- (I) *Tax-efficient asset sales.* The operations of diversified companies may appeal to different buyers. Rather than selling assets and incurring corporate level taxation, a number of companies have separated "wanted" from "unwanted" businesses via spin-offs or exchange offers.
- (II) *Highlight misunderstood dynamics.* Corporations often hold assets that differ from their primary business line and thus are undervalued in the market. Separating those assets can be a catalyst for re-valuation and may serve to better capture the sum of the parts values.
- (III) *Optimise capital structure.* Modern finance theory would suggest returns to equity can be enhanced by reducing cash flow shared with the government via taxes through the use of leverage or corporate structures such as REITs or Master Limited Partnerships, delivering more favourable capital structures to shareholders.

Other assets the Manager deems attractive are shares in companies that have typically returned capital to shareholders in the form of regular dividends and share repurchases. The table below includes a list of some of the largest and most consistent repurchasers of stock. In many cases (for example DIRECTV Corporation) these share buyers have borrowed cheaply to retire stock below intrinsic value, a necessary condition for a repurchase to be value accretive.

**Figure 1: Selected significant capital reductions**

	Shares Outstanding							2007-2013 Total		2010-2013 Total	
	2007	2008	2009	2010	2011	2012	2013 <sup>(a)</sup>	Net Change	% of '07 shares	Net Change	% of '10 shares
DIRECTV	1,148	1,024	933	808	691	586	531	(617)	53.8	(278)	34.3
Safeway	440	429	388	370	295	240	247	(193)	43.9	(123)	33.3
Viacom FYE 30/9	-	-	-	608	558	502	449	(159)	26.2	(159)	26.2
AutoZone	66	60	51	45	40	37	34	(32)	48.0	(11)	24.0
Apollo FYE 31/8	167	159	155	148	131	112	113	(54)	32.4	(35)	23.7
Motorola Solutions	-	325	363	337	320	281	259	(67)	20.5	(79)	23.3
Lowe's FYE 31/1	1,456	1,468	1,457	1,352	1,239	1,120	1,051	(405)	27.8	(301)	22.2
ITT Education	40	39	35	30	26	23	23	(16)	41.1	(7)	22.2
Legg Mason FYE 31/3	139	142	161	150	140	130	121	(18)	12.6	(29)	19.4
Amgen	1,087	1,047	995	932	796	768	754	(333)	30.6	(178)	19.1
Time Warner Cable	-	-	359	348	315	299	283	(76)	21.2	(65)	18.8
AutoNation	180	177	172	148	136	122	122	(59)	32.5	(27)	17.9
Chemed	24	22	23	21	19	19	18	(6)	27.0	(4)	17.8
Kroger FYE 31/1	668	648	644	627	565	530	517	(152)	22.7	(111)	17.6
Discovery Comm.	-	-	-	412	389	368	355	(57)	13.8	(57)	13.8
Nathan's Famous FYE 31/3	6	6	6	5	4	4	4	(2)	28.8	(1)	13.4
Hewlett Packard FYE 31/10	2,580	2,415	2,365	2,204	1,991	1,967	1,915	(665)	25.8	(289)	13.1
Cheesecake Factory	69	60	60	60	55	54	52	(17)	24.4	(8)	12.7
Home Depot FYE 31/1	1,676	1,682	1,683	1,608	1,522	1,470	1,416	(261)	15.5	(193)	12.0
CVS/Caremark	1,427	1,436	1,391	1,363	1,298	1,246	1,204	(223)	15.6	(159)	11.7
IBM	1,385	1,339	1,305	1,228	1,163	1,176	1,086	(299)	21.6	(142)	11.6

Source: Company reports. (a) Through 30/9/13.

FYE = Fiscal Year End.

In conjunction with the application of its long term methodology and the Manager's positioning in the upsurge in financial engineering catalysts, so too, the Manager believes that we are entering the fifth wave of M&A activity since World War II which it expects will generate frequent, and often profound, catalysts. The M&A waves are as follows:

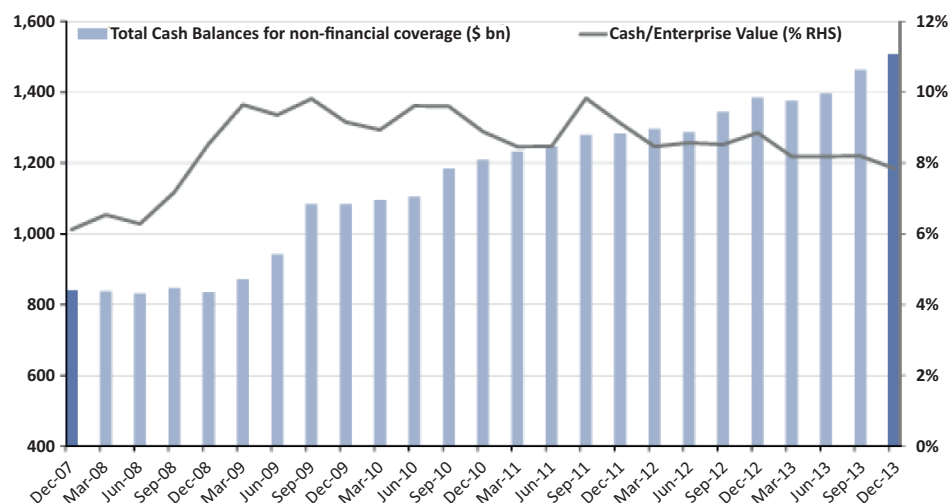
- 1960's **Conglomerates.** Corporations sought to buy companies in unrelated industries in an attempt to smooth out earning streams throughout an economic cycle.
- 1980's **Hostile Deals.** Armed with high yield debt, predators attacked major corporations to unlock "hidden value", undoing the "conglomerisation of the 1960's".
- 1990's **Consolidation.** Corporate combinations sought to build scale and efficiency. A rising stock market meant equity was a valuable currency for doing deals.
- 2000's **Private Equity.** Private equity firms paid substantial premiums and used complex financial engineering to buy public companies and take them private. This phase ended abruptly when credit markets froze.
- Today **The Fifth Wave.** Flush with cash and strong balance sheets, many companies are seeking to buy versus build, and become more productive and competitive through acquisitions.

During 2014 there was U.S.\$3.5 trillion in deal volume globally compared to U.S.\$2.4 trillion in 2013.

The Manager believes that this will continue into 2015 and beyond driven by:

- Continuing low interest rates;
- Record levels of corporate cash;

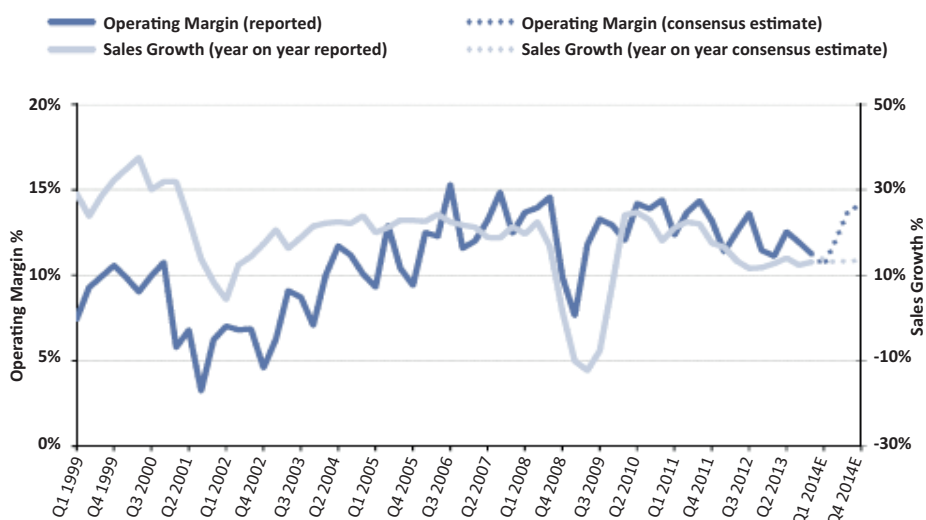
**Figure 2: Record levels of corporate cash**



Source: Bloomberg, Goldman Sachs research, June 2014

- Slowing growth and peaking margins fuelling acquisitions to stay productive and competitive;

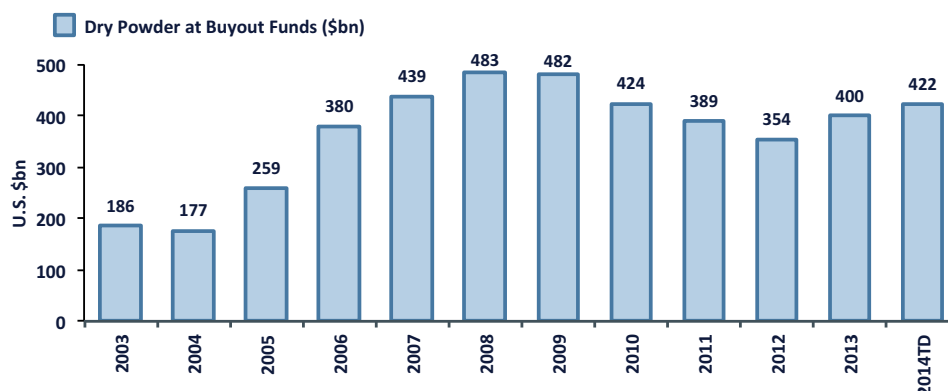
**Figure 3: Peak margins and moderating sales growth**



Source: Bloomberg, Goldman Sachs research, June 2014

- Increasing levels of “dry powder” at over U.S.\$422 billion of buyout funds that needs to be employed;

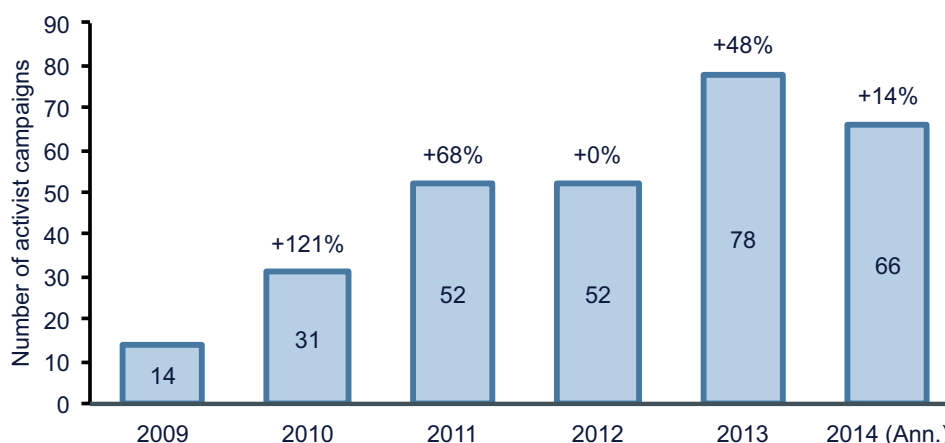
**Figure 4: Private equity cash balances remain high**



Source: Prequin research, Goldman Sachs research estimates, June 2014

- Increasing shareholder activism over the last 5 years as seen through campaigns.

**Figure 5: Activist campaigns continue**



Source: FactSet Sharkwatch, Bloomberg, Goldman Sachs research, June 2014

The Manager believes that its investment programme, oriented towards franchise businesses, lends itself to companies which can price their products above their costs of capital and typically deliver growth and shareholder value over the long term, regardless of prevalent macro-economic conditions. Thus the Manager's process of securities selection in identifying and valuing businesses from the perspective of an owner or strategic buyer can help orient its portfolio to a variety of catalyst-driven situations that may eventually lead to a takeover or merger. After a merger or acquisition is announced, the Manager may deem it attractive to invest, or remain invested, in the announced merger transaction. This is known as traditional merger arbitrage investing, with the return potential based on the announced acquisition price relative to the market price, or the spread. The Manager believes that such announced merger investments offer an attractive component of its investment programme, with returns contingent on the closing of a transaction and generally unrelated to the broad market conditions. The Manager's approach to traditional merger investing is a natural extension of its long-standing research driven investment process oriented towards undervalued assets.

In practice, mergers and acquisitions investing involves purchasing securities that are the subject of an acquisition attempt, exchange offer, cash tender offer or similar transaction. The Manager aims to realise the price differential of the merger spread. The spread is a function of short term U.S. government interest rates, combined with the risk premium of the merger transaction. This risk premium incorporates the elements required to complete the merger transaction, including shareholder and regulatory approvals. An increase in short term government interest rates will improve the merger return spread. While every transaction has its own unique set of dynamics, the Manager has over thirty years of experience in managing traditional merger arbitrage investments. As such, the Manager has accumulated knowledge and data to manage the merger process and to incorporate this technique as a further means to enhance portfolio performance.

A study by two Pennsylvania State University professors, James Miles and J. Randall Woolridge, of 174 spinoffs from 1965 to 1994 found that the stock prices of those companies rose an average of 76 per cent. in the five years after they were spun off, compared with a 31 per cent. gain in the Standard & Poor's 500-stock index and they found that spun-off companies were three times more likely to be acquired.

**Figure 6: Spin-Offs into subsequent acquisitions**

Former Parent	SpinCo Target	Spin Completed	Acquirer	Acquisition Announced
Sara Lee	Hillshire Brands	Jun-12	Tyson Foods	Jun-14
Fortune Brands	Beam Inc.	Oct-11	Suntory	Jan-14
Belo Corp.	Belo Corp.	Feb-08	Gannett Inc.	Jun-13
Sears Holdings	Orchard Supply	Dec-12	Lowe's Cos.	Jun-13
Elan Corp.	Elan Corp. (spun Prothema)	Dec-12	Perrigo	Jun-13
Sara Lee	DE Master Blenders	Jun-12	Joh. A. Benckiser	Apr-13
Ralcorp	"New" Ralcorp (ex-Post)	Jan-12	Conagra	Nov-12
Motorola	Motorola Mobility	Jan-11	Google	Aug-11
Brink's Company	Broadview Security	Nov-08	Tyco Intl. (ADT)	Jan-10
IACI	Ticketmaster	Aug-08	Live Nation	Feb-09
Cendant Corp.	Realogy	Jul-06	Private equity (Apollo)	Dec-06

Source: Company reports.

Fortune Brands (FO – NYSE) is an example through which funds managed by the Manager benefitted from several realised catalysts. Fortune Brands was a diversified consumer brand company with three disparate divisions; spirits with "Jim Beam" bourbon, home security with "Masterlock", and golf with "Titleist" brand. The Manager identified the business as a distinct franchise with global reach, attractive and growing EBITDA margins, an attractive cash flow generation record, and as a potential beneficiary of emerging markets growth. The Manager assessed that the market was not fully valuing these businesses, and that Fortune Brands was trading at a material discount to its estimated PMV.

On 8 December 2010, a defined catalyst emerged, as the company announced that it planned to separate the company's three businesses through a spin-off of the home & security business and sale or spin-off of golf. In July 2011, the golf business, which owns the Titleist, FootJoy, and Pinnacle brands, was sold for U.S.\$1.1 billion in net proceeds. A few months later the company completed the spin-off of its home & security business, which is now called Fortune Brands Home Security (FBHS – NYSE). With market leading brands in its product categories and relatively stable security and faucets business businesses generating more than half of its profits, the Manager viewed FBHS as a safe vehicle to participate in the recovery of the US residential housing industry. As part of the spin, Fortune Brands renamed itself Beam, Inc. (BEAM – NYSE) after its leading bourbon brand. The Manager assessed both of these pure play businesses as potential acquisition candidates for strategic acquirers.

Beam Inc. (BEAM – NYSE) was a leading producer of distilled spirits, with brands including Jim Beam, Sauza, Maker's Mark, Courvoisier, Cruzan, Knob Creek, Skinnygirl, and Effen. The Manager identified Beam as a leader in the U.S.\$5 billion bourbon whiskey category with strong brands, pricing power, and top and bottom-line momentum, as well as one of the only companies in the industry without a family that owns a controlling stake in the business. As such, the Manager viewed Beam as a compelling acquisition candidate for strategic acquirers and estimated a 2014 PMV of U.S.\$84 per share. On 13 January 2014, that potential was realised as Japanese beverage company, Suntory Holdings, announced its intent to acquire the company for U.S.\$83.50 per share, or U.S.\$16 billion. Prior to the spin-off of FBHS on 3 October 2011, Fortune Brands market value was U.S.\$54 per share. Immediately following the acquisition announcement of BEAM, the market was valuing "old" Fortune Brands (BEAM plus FBHS) at more than U.S.\$129 per share.

Hillshire Brands Corporation (HSH – NYSE) is a further example in which the Manager identified a restructuring and potential for several catalysts to drive returns. The company was renamed from the Sara Lee Corporation following the spin-off of D.E Master Blenders 1753 on 28 June 2012, which included a U.S.\$3 cash dividend to shareholders. As a result, shareholders received one share of the North American meat company, renamed Hillshire Brands, which subsequently underwent a reverse share split of 1-for-5. Hillshire Brands is a concentrated meat and bakery business in the U.S., generating an estimated U.S.\$4 billion of revenue. It is the leading player in categories such as protein breakfast, breakfast sausages, and hot dogs under the Jimmy Dean, Hillshire Farm, and Ball Park brands. Given its leading brands, stable and high margins, and pure play focus, the Manager viewed Hillshire as an attractive acquisition target for a strategic acquirer. On 2 July 2014, following a bidding war between Tyson Foods (TSN – NYSE) and Pilgrim's Pride (PPC – NYSE), Hillshire announced it had agreed to be acquired by Tyson Foods for U.S.\$63 per share in cash, or U.S.\$8.6 billion.



In summary, all the above methodologies, combined within increasing ingenuity from the financial advisory community in terms of designing and implementing financial engineering is driving an increase in corporate actions – the very “PMV with a catalyst” opportunities the Manager will look to isolate and pursue utilising its investment approach.

## PART 3

# DIRECTORS, MANAGEMENT AND ADMINISTRATION

## DIRECTORS OF THE COMPANY

The Directors are responsible for the determination of the Company's investment objective and policy and have overall responsibility for the Company's activities including the review of investment activity and performance.

The Directors will meet at least four times a year. The Directors (including the Chairman) are independent of the Manager.

The Directors are as follows:

### **Andrew Bell MA (aged 59) (Chairman)**

Andrew is a director and Chief Executive Officer of Witan Investment Trust plc and responsible for the overall management of Witan. Previously he worked at Rensburg Sheppards Investment Management Limited as Head of Research and as an equity strategist and Co-Head of the Investment Trusts team at BZW and Credit Suisse First Boston. Prior to the City, he worked for Shell in Oman, leaving to take a Sloan Fellowship at the London Business School. He is a non-executive director of Henderson High Income Trust plc and was Chairman of the Association of Investment Companies from January 2013 to January 2015.

### **Richard Fitzalan Howard (aged 61)**

Richard is Executive Chairman of FF&P Asset Management Limited, having previously been chief executive officer for 10 years. Richard joined Fleming Investment Management in 1975 and held a number of senior positions in London and New York. Richard is also a non-executive director of JP Morgan Smaller Companies Investment Trust Plc and a director of CCLA Investment Management Limited and the Dulverton Trust.

### **Rudolf Bohli (aged 45)**

Rudolf serves as Chief Executive Officer and Chief Investment Officer of RBR Capital Advisors AG, an independent investment adviser that focuses on equity investments in continental Europe. Previously Rudolf served as head of research at Bank am Bellevue, an independent financial group domiciled in Zurich and listed on the SIX Swiss Exchange.

### **Charles Irby FCA (aged 69)**

Charles was formerly Chairman of Aberdeen Asset Management Plc and a non-executive director of Great Portland Estates Plc and QBE Insurance Group Ltd. Prior to these positions Charles spent 27 years in corporate finance and investment banking at ING Baring. He is also a non-executive director of North Atlantic Smaller Companies Investment Trust Plc.

## MANAGEMENT OF THE COMPANY

### **Responsibility for management**

The Directors are responsible for the determination of the Company's investment objective and policy and have overall responsibility for its activities. The Company has entered into the Management Agreement with Gabelli Funds, LLC under which the Manager will be responsible for the day-to-day management of the Company's investment portfolio on a discretionary basis in accordance with the Company's investment objective and policy, subject to the overall supervision of the Directors. The Manager will be responsible for the portfolio management and risk management of the Company's portfolio.

### **The Manager**

The Manager is a New York limited liability company which serves as an investment adviser to 15 open-end and 11 closed-end U.S. registered managed investment companies, with combined aggregate net assets in excess of U.S.\$26 billion as of 30 September 2014. The Manager is a wholly owned subsidiary of GAMCO Investors, Inc., a New York corporation whose Class A Common Stock

is traded on the New York Stock Exchange under the symbol “GBL”. GAMCO Investors, Inc. employs 200 professionals in offices worldwide. The Manager is a registered investment adviser under the Investment Advisers Act of 1940, as amended.

The Manager has several affiliated registered investment advisers that are also owned or controlled by the advisors parent GAMCO Investors, Inc. The following affiliated advisers also provide investment advisory services: GAMCO Asset Management, Inc. acts as investment adviser primarily for individuals, pension trusts, profit sharing trusts and endowments and had assets under management of approximately U.S.\$19.7 billion as of 30 September 2014; Teton Advisors, Inc., an affiliate of the Manager with assets under management of approximately U.S.\$2.0 billion as of 30 September 2014, acts as investment adviser to The TETON Westwood Funds; and separately managed accounts; Gabelli Securities, Inc., acts as investment adviser to certain alternative investment products, consisting primarily of risk arbitrage and merchant banking limited partnerships and offshore companies, with assets under management of approximately U.S.\$899 million as of 30 September 2014; and Gabelli Fixed Income LLC, acts as investment adviser for separate accounts having assets under management of approximately U.S.\$60 million as of 30 September 2014.

### Track record of the Manager

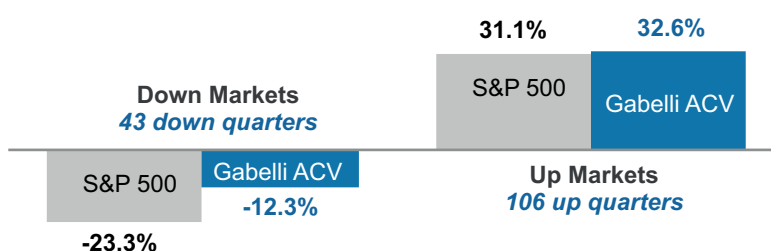
Between its inception in 1977 and 31 December 2014, the Gabelli All Cap Value Equity Composite (the “**Gabelli ACV**”), which is managed in accordance with the PMV with a Catalyst™ approach, has delivered a compound annual return of 16.8 per cent which is in excess of the S&P 500 return of 11.8 per cent. over the same period. Net of fees, the annualised return of the Gabelli ACV is 15.9 per cent. from inception to 31 December 2014. Over the same period, the Gabelli ACV has made a positive return in 34 out of 38 years, compared to 31 years of positive returns for the S&P 500. The cumulative long term performance is reflected tracking one million dollars invested in the Gabelli ACV on 30 September 1977. This initial U.S.\$1 million would be worth approximately U.S.\$325 million as of 31 December 2014, compared to U.S.\$63 million for the S&P 500.

A comparison of the performance of the Gabelli ACV, which is managed in accordance with the methodology to be adopted by the Company, to the S&P 500 and the Russell 2000 is included below.

### Relative performance since 30 September 1977<sup>1</sup>

	<b>Gabelli ACV</b>	<b>S&amp;P 500</b>	<b>Russell 2000</b>
Number of up years	<b>34</b>	31	26
Number of down years	<b>4</b>	7	10
Number of years of outperformance of the index		26	24
Total return (Compound annual growth rate)	<b>16.8%</b>	11.8%	11.9%

### Relative performance since 30 September 1977 in up and down quarters<sup>1</sup>



1. Information as at 31 December 2014 sourced from FactSet and Gabelli Funds, LLC. Index information for the Russell 2000 commences at 31 December 1978. Performance numbers are gross of fees.

### Notes to the Performance Calculations:

The up market return is calculated by determining the quarterly periods during which the S&P 500 return is greater than zero and then annualising the arithmetic average of the Gabelli ACV total returns, gross of fees, during those periods. The down market return is calculated by determining the quarterly periods during which the S&P 500 return is less than zero and then annualising the arithmetic average of the Gabelli ACV total returns, gross of fees, during those periods.

U.S.\$1 million invested net of fees and expenses in the Gabelli ACV would equal approximately U.S.\$243 million net of fees at 31 December 2014. Using the S&P 500 as a benchmark, the average up market performance of the Gabelli ACV net of fees is 31.6 per cent. and the average down market performance is -13.0 per cent.

The Gabelli ACV includes all portfolios that employ a fundamental bottom-up Private Market Value with a Catalyst™ approach to the investment process where GAMCO Asset Management, Inc. (“**GAMCO**”) is the investment adviser. GAMCO is a subsidiary of GAMCO Investors, Inc. and is an affiliate of the Manager. The strategy typically has a broadly diversified portfolio of 80 plus holdings with positions generally 5 per cent. or less. The Gabelli ACV was created on 30 September 1977.

Year End	Total GAMCO Assets (U.S.\$) (millions)	Composite Assets (U.S.\$) (millions)	Number of Accounts	Performance			Composite 3 Year Standard Deviation	Benchmark 3 Year Standard Deviation
				Net Annual Composite Results	Russell 3000	Composite Dispersion		
2013	20,013	8,544	180	36.20	33.55	3.05	13.16	12.53
2012	15,120	6,830	181	15.96	16.42	2.15	16.58	15.73
2011	13,694	6,584	202	-0.54	1.02	2.24	21.23	19.35
2010	13,839	6,390	191	27.57	16.92	3.66	24.94	22.62
2009	11,251	5,487	192	36.25	28.35	6.23	22.31	20.32
2008	8,513	3,904	210	-36.39	-37.31	4.07	17.31	15.79
2007	13,124	6,299	222	11.42	5.15	3.21	8.04	8.14
2006	12,516	5,898	219	22.71	15.71	2.62	8.40	7.51
2005	12,254	6,164	247	1.99	6.12	2.78	10.69	9.49
2004	13,368	6,472	255	16.57	11.95	3.18	15.24	14.84
2003	12,995	5,680	252	32.60	31.06	4.13	18.01	18.12
2002	9,894	4,368	275	-12.81	-21.54	3.24	16.88	18.56
2001	11,288	4,977	268	1.11	-11.45	3.34	N.A.1	N.A.1
2000	9,991	4,604	259	-1.65	-7.46	6.58	N.A.1	N.A.1

*N.A.1 The three-year annualised standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualised standard deviation is not presented for 2000 through 2001 due to less than 36 months of composite and benchmark data.*

GAMCO claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented the information in the above table in compliance with the GIPS standards. GAMCO has been independently verified for the periods 1 January 2000 through 31 December 2013.

Verification assesses whether: (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis; and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Gabelli ACV has been examined for the periods 31 December 2002 through 31 December 2013. The verification and performance examination reports are available upon request.

GAMCO defines itself for GIPS purposes as an independent registered investment adviser with the Securities and Exchange Commission managing separate account strategies. GAMCO's list of composite descriptions is available upon request. GAMCO's results are based on fully discretionary accounts under management, including those accounts no longer with GAMCO. Past performance is not indicative of future results.

The Russell 3000 Index, referred to in the table below, is a stock market index of U.S. based stocks that measures the performance of 3,000 publicly held US companies based on total market capitalisation.

The U.S. Dollar is the currency used to express performance. Returns are presented net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. The annual composite dispersion presented is an equal-weighted standard deviation calculated for the accounts in the composite for the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The investment management fee schedule for the composite is 1.00 per cent. on all assets. Actual investment advisory fees incurred by clients may vary.

## **Investment Team**

The biographies of the lead members of the investment team are set out below:

### ***Mario Gabelli***

Mr. Gabelli is the Founder, Chairman and Chief Investment Officer of GAMCO Investors, Inc. He is one of the most respected investors in the United States and is a leading proponent of value investing. His proprietary Private Market Value with a Catalyst™ methodology has become an analytical standard in the value investing community. Mr. Gabelli has lead managed the GAMCO and Gabelli Funds value investing portfolios since inception. Mr. Gabelli built the Gabelli organisation from its origins of Gabelli and Company, the institutional research boutique he started in 1976. In 1977 he started GAMCO Investors, Inc., offering institutional asset management services through separately managed individual accounts, mutual funds were offered in 1986, the year following the firm's first hedge fund launch in 1985. He holds an MBA from Columbia University Graduate School of Business, and is a summa cum laude BS graduate from Fordham University. Mr. Gabelli is a Chartered Financial Analyst (CFA). He is a member of the board of overseers of Columbia University Graduate School of Business. Mr. Gabelli is involved with a number of charity organisations. In the UK, he is a long-time board member of the Winston Churchill Foundation.

### ***Marc Gabelli***

Mr. Gabelli is President of the firm's parent company, GGCP, Inc. and is a director and a Senior Portfolio Manager at GAMCO. He helped lead the initial public offering of GAMCO Investors Inc. in February 1999. His portfolio assignments have included hedge fund management since 1990 and traditional asset management since 1994. He has managed several Morningstar five star mutual funds, and a Lipper #1 ranked global equity mutual fund in the U.S. His focus is global, catalyst-driven value investing across all market capitalisations and industry sectors. He built Gabelli Securities' hedge fund platform, Gabelli & Partners in 1999, opened the Gabelli London office in 2000 and the Gabelli Tokyo office in 2009. Mr. Gabelli started his investment career in arbitrage at Lehman Brothers International. He holds an MBA from the Massachusetts Institute of Technology (MIT) Sloan School of Management, a BA from Boston College, and the SEP diploma from Stanford University. He is a member of the New York Society of Securities Analysts. Mr. Gabelli has been registered since 2011 with the FCA to undertake the controlled functions of a CF1 Director and CF3 Chief Executive. He is involved with various educational charities. In the UK he is a board member of the Sutton Trust.

In addition to Mario Gabelli and Marc Gabelli, the Manager's team will be led by select Gabelli portfolio managers, including the following:

### ***Caesar Bryan***

Mr. Bryan is a Senior Portfolio Manager specialising in special situations and international equities. He has been a portfolio manager with the Manager since 1993, leading several Gabelli funds since their inception. His portfolio assignments have included open-ended mutual funds, closed-end investment companies, managed accounts and hedge funds. He currently is a member of the growth portfolio management team and leads the Gabelli International Growth Fund and the GAMCO Natural Resources, Gold & Income Trust. Mr. Bryan started his career at Samuel Montagu as an equity analyst and portfolio manager. Mr. Bryan is a member of the English Bar and holds an LLB from the University of Southampton.

### ***Robert D. Leininger, CFA***

Mr. Leininger is a Senior Portfolio Manager and security analyst with an emphasis on large cap value special situations. He started his career with the firm in 1993 covering the beverage industry globally and currently manages a variety of institutional separate accounts and funds. He is a Chartered Financial Analyst (CFA), and is a member of the Financial Analyst Society of Philadelphia. Mr. Leininger was previously a portfolio manager at Rorer Capital, Copeland Management and PNC Financial. Mr. Leininger is a magna cum laude graduate of Amherst College with a degree in Economics and holds an MBA from the Wharton School at the University of Pennsylvania.

The biographies of select research analysts of the Manager are set out below:

### ***Brian Sponheimer***

Mr. Sponheimer currently oversees the Industrial Research Platform for the firm. He also is responsible for coverage of Automotive and Capital Equipment, and directs Gabelli's Annual

Automotive Aftermarket Symposium, which celebrated its 38th consecutive year in November in Las Vegas. In 2011, Mr. Sponheimer was recognised by both the Wall Street Journal and the Financial Times as “Best on the Street” among Wall Street analysts. He began his business career in institutional equities at CIBC World Markets in New York and Boston. Mr. Sponheimer graduated cum laude from Harvard University with a BA in Government and received an MBA in Finance and Economics from Columbia Business School.

### **Macrae Sykes**

Mr. Sykes is a research analyst covering financial services. He was ranked #1 in Investment Services by the Wall Street Journal's “Best on the Street Analyst Survey”. He most recently finished runner-up for capital markets coverage in StarMine's 2014 survey for best stock picking analysts. Mr. Sykes began his business career as an institutional trader at Donaldson, Lufkin & Jenrette/CSFB. Just prior to joining Gabelli, Mr. Sykes was a partner in a seeder/incubator platform (VanthedgePoint Group) for emerging hedge funds. He graduated from Hamilton College with a BA in Economics and received an MBA in Finance from Columbia Business School. Mr. Sykes is also a registered options principal.

### **Justin Bergner, CFA**

Mr. Bergner began his investment career at Gabelli & Company in 2005 as a metals and mining analyst. He began his business career in management consulting at Bain & Company, where he worked on strategy assignments for a number of industrial companies. Mr. Bergner is a Chartered Financial Analyst (CFA) and graduated from Yale University cum laude with a BA in Economics & Mathematics and received an MBA in Finance and Accounting from Wharton Business School.

The individual members of the management and research team may be changed from time to time at the option of the Manager.

### **Management Agreement**

The Manager is entitled to receive from the Company, in respect of its services provided under the Management Agreement, a management fee accrued daily but payable monthly in arrears calculated at the rate of 1 per cent. per annum of the Market Capitalisation.

The Management Agreement may be terminated by the Company or the Manager giving the other party at least 24 months' notice in writing, such notice not to be given earlier than the fourth anniversary of Admission.

The Company's annual report and accounts will contain a statement as to whether, in the opinion of the Directors, the continuing appointment of the Manager on the terms of the Management Agreement is in the interests of Shareholders as a whole, together with a statement of the reasons for this view.

It is currently intended that the management fee and debt finance costs will be charged as to 75 per cent. to the capital account and as to 25 per cent. to the revenue account in line with the Directors' expectations as to the returns, in the form of income and capital gains, from the intended investment portfolio of the Company. This allocation may be adjusted in the future.

### **OTHER ARRANGEMENTS**

#### **Administrator**

State Street Bank and Trust Company has been appointed as administrator to the Company under the terms of the Administration Agreement (further details of which are set out in paragraph 7.3 of Part 7 of this document). The Administrator will be responsible for production of the Company's accounts and providing support for the Board's corporate governance process. In addition, the Administrator will be responsible for the day-to-day administration of the Company including the calculation and publication of the Net Asset Value and Net Asset Value per Share and maintenance of the Company's accounting records.

#### **Depository and Custodian**

State Street Trustees Limited has also been appointed as the Company's depository pursuant to the Depository Agreement (further details of which are set out in paragraph 7.4 of Part 7 of this document). The Depository is authorised by the Prudential Regulation Authority and is subject to regulation by the FCA and to limited regulation by the Prudential Regulation Authority.



The Depositary has delegated the custody and safe keeping services to its affiliate State Street Bank and Trust Company (further details of the Custody Agreement are set out in paragraph 7.5 of Part 7 of this document).

### **Company Secretary**

TMF Corporate Secretarial Services Ltd will provide company secretarial services to the Company pursuant to the Company Secretarial Agreement (further details of which are set out in paragraph 7.6 of Part 7 of this document). The Company Secretary will be responsible for project management of the production of the Company's annual report and accounts, regulatory compliance and providing support to the Board's corporate governance process and its continuing obligations under the Listing Rules and the Disclosure and Transparency Rules. In addition, the Company Secretary will be responsible for liaising with the Company, the Manager, the Registrar and the Administrator in relation to the payment of any dividends, as well as general secretarial functions required by the Act (including but not limited to the maintenance of the Company's statutory books).

### **Registrar**

The Company will utilise the services of Computershare Investor Services PLC as registrar in relation to the transfer and settlement of Shares held in uncertificated form.

### **Auditor**

PricewaterhouseCoopers LLP will provide audit services to the Company. The annual report and accounts will be prepared according to accounting standards laid out under UK GAAP.

## **CONFLICTS OF INTEREST**

The Manager, its officers and employees may from time-to-time act for other clients or manage other funds, which may have a similar investment objective and policy to that of the Company. Circumstances may arise where investment opportunities will be available to the Company and which are also suitable for one or more such clients of the Manager. The Directors 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.

When potential conflicts of interest arise the Manager will ensure that any transactions undertaken for the Company are effected on terms which are not materially less favourable to the Company than if the potential conflict had not existed.

Affiliates of the Manager may, in the ordinary course of their business, acquire for their own account or for the accounts of their advisory clients, significant (and possibly controlling) positions in the securities of companies that may also be suitable for investment by the Company. The securities in which the Company might invest may thereby be limited to some extent. For instance, many U.S. companies in the past several years have adopted so-called "poison pill" or other defensive measures designed to discourage or prevent the completion of a non-negotiated offers for control of the company. Such defensive measures may have the effect of limiting the shares of the company which might otherwise be acquired by the Company if the affiliates of the Manager or their advisory accounts have or acquire a significant position in the same securities. However, the Manager does not believe that the investment activities of its affiliates will have a material adverse effect upon the Company in seeking to achieve its investment objectives. Securities purchased or sold pursuant to contemporaneous orders entered on behalf of the investment company accounts of the Manager or the advisory accounts managed by its affiliates for their unaffiliated clients are allocated pursuant to principles believed to be fair and not disadvantageous to any such accounts. In addition, all such orders are accorded priority of execution over orders entered on behalf of accounts in which the Manager or its affiliates have a substantial pecuniary interest. The Manager may on occasion give advice or take action with respect to other clients that differs from the actions taken with respect to the Company. The Company may invest in the securities of companies which are investment management clients of GAMCO Investors, Inc.

Under the Management Agreement, the Manager is authorised on behalf of the Company to employ brokers to effect the purchase or sale of portfolio securities with the objective of obtaining prompt, efficient, and reliable execution and clearance of such transactions at the most favourable price obtainable ("**best execution**") at a reasonable expense. The Manager is permitted to: (i) direct

Company portfolio brokerage to G.research, Inc., a broker-dealer member of FINRA and an affiliate of the Manager; and (ii) pay commissions to brokers other than G.research, Inc. which are higher than what might be charged by another qualified broker to obtain brokerage and/or research services considered by the Manager to be useful or desirable in relation to its investment management services for the Company and/or other advisory accounts under the management of the Manager and any investment adviser affiliated with it. The Manager does not consider the sales of shares of the Company or other investment funds managed by the Manager and its affiliates by brokers, including G.research as a factor in its selection of brokers or dealers for the Company's portfolio transactions and has adopted compliance policies and procedures for itself and its affiliates to prevent any such transactions on that basis.

Transactions on U.S. stock exchanges involve the payment of negotiated brokerage commissions, which may vary among brokers. Transactions in securities other than those for which a securities exchange is the principal market are generally executed through a principal market maker. However, such transactions may be effected through a brokerage firm and a commission is paid whenever it appears that the broker can obtain a price that is at least as favourable taking into account its commissions. In general, there may be no stated commission on principal transactions in OTC securities, but the prices of such securities usually may include undisclosed commissions or mark-ups. Option transactions will usually be effected through a broker and a commission will be charged. The Company also expects that securities will be purchased at times in underwritten offerings where the price includes a fixed amount of compensation generally referred to as a concession or discount.

The policy of the Company regarding purchases and sales of securities and options for its portfolio is that primary consideration will be given to obtaining the most favourable prices and efficient execution of transactions. In seeking to implement the Company's policies, the Manager will effect transactions with those brokers and dealers who the Manager believes can obtain the most favourable prices and are capable of providing efficient executions. If the Manager believes such price and execution are obtainable from more than one broker or dealer, it may give consideration to placing portfolio transactions with those brokers or dealers who also furnish research and other services to the Company or the Manager. In doing so, the Company may also pay higher commission rates than the lowest available when the Manager believes it is reasonable to do so in light of the value of the brokerage and research services provided by the broker effecting the transaction. Such services may include, but are not limited to, any one or more of the following: (i) information as to the availability of securities for purchase or sale; (ii) statistical or factual information or opinions pertaining to investments; (iii) wire services; and (iv) appraisals or evaluations of potential and existing investments.

Research services furnished by brokers or dealers through which the Company effects securities transactions will be used by the Manager and its advisory affiliates in carrying out their responsibilities with respect to all of their accounts over which they exercise investment discretion. Such investment information may be useful only to one or more of such other accounts. The purpose of this sharing of research information is to avoid duplicative charges for research provided by brokers and dealers. Neither the Company nor the Manager has any agreement or legally binding understanding with any broker or dealer regarding any specific amount of brokerage commissions which will be paid in recognition of such services. However, in determining the amount of portfolio commissions directed to such brokers or dealers, the Manager will consider the level of services provided.

Investment research obtained by allocations of Company brokerage is used to augment the scope and supplement the internal research and investment strategy capabilities of the Manager but does not reduce the overall expenses of the Manager to any material extent. Such investment research may be in written form or through direct contact with individuals and includes information on particular companies and industries as well as market, economic, or institutional activity areas. Research services furnished by brokers through which the Company effects securities transactions will be used by the Manager and its advisory affiliates in carrying out their responsibilities with respect to all of their accounts over which they exercise investment discretion. Such investment information may be useful only to one or more of the other accounts of the Manager and its advisory affiliates, and research information received for the commissions of those particular accounts may be useful both to the Company and one or more of such other accounts.

The Manager may also place orders for the purchase or sale of portfolio securities with G.research Inc. when it appears that, as an introducing broker or otherwise, G.research Inc. can obtain a price, execution, and commission, which is at least as favourable as that obtainable by other qualified brokers and at a commission rate at least as favourable as it provides to its most favoured customers for similar transactions. The Board will adopt procedures which provide that the commissions paid to G.research Inc. on brokerage transactions must not exceed those which would have been charged by another qualified broker or member firm able to effect the same or a comparable transaction at an equally favourable price to what G.research Inc. charges its most favoured customers on similar transactions.

To obtain the best execution of portfolio trades on the New York Stock Exchange (the “**NYSE**”), G.research Inc. controls and monitors the execution of such transactions on the floor of the NYSE through independent “floor brokers” or the Designated Order Turnaround System of the NYSE. Such transactions are then cleared, confirmed to the Company for the account of G.research Inc. and settled directly with the Custodian by a clearing house member firm which remits the commission less its clearing charges to G.research Inc. G.research Inc. may also effect Company portfolio transactions in the same manner and pursuant to the same arrangements on other national securities exchanges which adopt direct access rules similar to those of the NYSE.

## **THE TAKEOVER CODE**

The Takeover Code will apply to the Company as at Admission.

## **CORPORATE GOVERNANCE**

The Company will comply with the provisions of Chapter 9 of the Listing Rules regarding corporate governance. Chapter 9 of the Listing Rules requires that the Company must “comply or explain” against the UK Corporate Governance Code. In addition, the Disclosure and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management systems.

The Directors recognise the value of the UK Corporate Governance Code and have taken appropriate measures to ensure that the Company complies, so far as is possible given the Company’s size and nature of business, with the UK Corporate Governance Code. The areas of non-compliance by the Company with the UK Corporate Governance Code are in respect of the provisions relating to:

- the role of the chief executive;
- the appointment of a senior independent director;
- executive directors’ remuneration; and
- the need for an internal audit function.

The Board considers these provisions are not relevant to the position of the Company because it is an externally managed investment company and it has no employees and therefore no requirement for a chief executive and by reason of the size and composition of the Board.

As at the date of this document, the Company complies with the AIC Code and will become a member of the AIC shortly following Admission. In accordance with such code, the Company meets its obligations in relation to the UK Corporate Governance Code.

## **Audit and Management Engagement Committee**

The Company’s Audit and Management Engagement Committee will be chaired by Charles Irby and consists of all the Directors and will meet at least twice a year or more often if required. The Board considers that the members of the Audit and Management Engagement Committee have the requisite skills and experience to fulfil the responsibilities of the Audit and Management Engagement Committee. The Audit and Management Engagement Committee examines the effectiveness of the Company’s control systems, will review the half-yearly and annual reports and also will receive information from the Manager. It will also review the scope, results, cost effectiveness, independence and objectivity of the external auditor. The Audit and Management Engagement Committee’s other principal duties will be to consider the terms of appointment of the Manager and it will annually review that appointment and the terms of the Management Agreement.

**Other Committees**

The Company's Nomination Committee will be chaired by Rudolf Bohli and consists of all the Directors. The Nomination Committee will meet when summoned by the secretary of the Nomination Committee, at the request of any of its members. The Board considers that the members of the Nomination Committee have the requisite skills and experience to fulfil the responsibilities of the Nomination Committee. The Nomination Committee examines the effectiveness of the Board's nomination procedures and reviews the structure, size and composition of the Board. The Nomination Committee's other principal duties will be to make recommendations, in consultation with the chairman of the Audit and Management Engagement Committee, to the Board in respect of the membership of the Audit and Management Engagement Committee, and to make recommendations to the Board concerning the re-appointment of any non-executive director at the conclusion of any specified terms of office.

The Company has not established a remuneration committee because all of the Directors are independent non-executive directors of the Company.

**DIRECTOR'S SHARE DEALING**

The Directors will comply with the Model Code in relation to their dealings in Shares. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors.

## PART 4

### FURTHER INFORMATION ON THE COMPANY

#### FEES AND EXPENSES OF THE COMPANY

##### Issue expenses

The issue expenses of the Company are those that arise from or are incidental to the establishment of the Company, the Issue and Admission. These expenses include the commissions payable under the Placing and Offer Agreement, Receiving Agent's fees, listing and admission fees, printing, legal and accounting fees and any other applicable expenses.

The costs and expenses (including irrecoverable VAT) of, and incidental to, the Issue payable by the Company will be no more than 1.00 per cent. of the Initial Gross Proceeds. In the event that the Issue expenses exceed 1.00 per cent. of the Initial Gross Proceeds, the excess will be paid by the Manager. In the event that the Issue does not proceed all costs and expenses (including VAT where relevant) of and incidental to the Issue shall be paid by the Manager.

##### On-going annual expenses

The Company's ongoing annual expenses will include the following and are currently expected to amount to 1.29 per cent. of Net Asset Value per annum assuming a Net Asset Value on Admission of £247.5 million:

(i) **Manager**

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

The Manager is entitled to receive from the Company, in respect of its services provided under the Management Agreement, a management fee accrued daily but payable monthly in arrears equal to 1 per cent. per annum of the Market Capitalisation. No performance fee will be payable by the Company to the Manager.

(ii) **Administrator**

Under the terms of the Administration Agreement, the Administrator is entitled to an annual fee in respect of the administration services it will provide calculated by reference to the Company's Net Asset Value as follows, an amount equal to the aggregate of: (i) 4.00 basis points of the Net Asset Value of up to £100 million; (ii) 3.00 basis points of the Net Asset Value between £100 million and £500 million; and (iii) 2.00 basis points of the Net Asset Value in excess of £500 million. A minimum fee of £25,000 per annum shall apply following the Company's first financial year. The Administrator will, in addition, be entitled to recover third party expenses and disbursements.

(iii) **Depositary and Custodian**

Under the terms of the Depositary Agreement, the Depositary is entitled to a fee of 2 basis points per annum of the Net Asset Value. The Depositary is entitled to reimbursement of all reasonable out-of-pocket expenses incurred in connection with its duties.

The Depositary has delegated the custody and safe keeping services to its affiliate State Street Bank and Trust Company. Pursuant to the Custody Agreement, the Custodian will be entitled to an asset based safe keeping fee that varies with the location of the assets (being 0.50 basis points per annum in respect of assets of the Company located in the U.S.) billed and payable monthly and a transaction charge for transaction settlement.

(iv) **Company Secretary**

Under the terms of the Company Secretarial Agreement, the Company Secretary is entitled to receive an annual fee of £43,000 (plus VAT). The Company Secretary shall also be entitled to reimbursement of all out-of-pocket costs, expenses and charges reasonably and properly incurred and documented on behalf of the Company.

(v) **Registrar**

The Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed (exclusive of any VAT). The Registrar is also entitled to reimbursement of all out of pocket costs, expenses and charges properly incurred on behalf of the Company.

(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, the initial fees will be £25,000 for each Director per annum. The Chairman's initial fee will be £35,000 per annum. The Chairman of the Audit and Management Engagement Committee will receive an additional £7,500 per annum. The Chairman of the Nominations Committee will receive an additional £2,500 per annum. Mr. Bohli will also receive an additional £2,500 for his membership of the Audit and Management Engagement Committee.

All of the Directors will also be 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 ongoing operational expenses (excluding fees paid to service providers and Directors as detailed above) of the Company will be borne by the Company including travel, accommodation, printing, audit, due diligence and legal fees. These expenses will be deducted from the assets of the Company and are estimated to be in the region of £0.3 million per annum assuming a Net Asset Value on Admission of £247.5 million. All out-of-pocket expenses of the Manager, the Administrator, the Depositary, the Custodian, the Company Secretary, the Registrar and the Directors relating to the Company will be borne by the Company.

## **NET ASSET VALUE**

The unaudited Net Asset Value per Share will be calculated and published in Sterling by the Administrator on a daily basis in accordance with the principles set out below.

The Administrator, in conjunction with the Manager, will calculate the Net Asset Value and the Net Asset Value per Share as at the end of each Business Day and will report such calculation to the Board and the Manager. The Administrator will announce the Net Asset Value to Shareholders through a Regulatory Information Service. In the event the Net Asset Value is outside the expected range agreed with the Investment Manager, the Administrator will seek the Manager's approval before announcing the Net Asset Value.

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

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

The calculation of the Net Asset Value per Share will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a system's failure of the Administrator) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through a Regulatory Information Service as soon as practicable after any such suspension occurs.



## PART 5

# THE ISSUE

### INTRODUCTION

The Company intends to raise up to £250 million, before expenses. The actual number of Shares to be issued pursuant to the Issue, and therefore the Initial Gross Proceeds, are not known as at the date of this document but will be notified by the Company via a Regulatory Information Service announcement prior to Admission. The Issue has not been underwritten.

GAMCO Investors, Inc. has undertaken to the Company that it, or one of its affiliated entities, will subscribe, pursuant to the GAMCO Subscription Agreement, for such number of Shares as will equal 10 per cent. of the total number of Shares allotted pursuant to the Placing and the Offer for Subscription.

The aggregate proceeds of the Issue, after deduction of expenses, will be a minimum of £247.5 million on the assumption that Initial Gross Proceeds are £250 million.

Investec has agreed to use its reasonable endeavours to procure subscribers pursuant to the Placing on the terms and subject to the conditions set out in the Placing and Offer Agreement. Details of the Placing and Offer Agreement are set out in paragraph 7.1 of Part 7 of this document. Commitments under the Placing must be received by 5.00 p.m. on 11 February 2015 (or such later date, not being later than 11 March 2015, as the Company and Investec may agree). If the Placing is extended, the revised timetable will be notified to any investors who have placed orders. The terms and conditions of the Placing (including certain representations, warranties and agreements each subscriber for Shares will be deemed to have given) are set out in Part 10 of this document.

The Offer for Subscription is only being made in the United Kingdom. The attention of Overseas Persons is drawn to the information set out below under the heading “**Overseas Persons**”.

The Company has agreed to make an offer of Shares pursuant to the Offer for Subscription at the Issue Price, subject to the terms and conditions of the Offer for Subscription as set out in Part 11 of this document. These terms and conditions and the Application Form set out in the Appendix to this document should be read carefully before an application is made. Investors should consult their independent financial adviser if they are in any doubt about the contents of this document or the acquisition of Shares. Application Forms accompanied by a cheque or banker's draft in Sterling made payable to Computershare Investor Services PLC a/c Gabelli Value Plus+ Trust Plc and crossed “A/C payee” for the appropriate sum should be returned to the Receiving Agent by no later than 1.00 p.m. on 11 February 2015. If the Offer for Subscription is extended, the revised timetable will be notified to any investors who have placed orders.

Applications under the Offer for Subscription must be for Shares with a minimum subscription amount of £1,000 and thereafter in multiples of £100.

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

- (i) Admission having become effective on or before 8.00 a.m. on 17 February 2015 or such later time and/or date as the Company and Investec may agree (being not later than 8.00 a.m. on 17 March 2015);
- (ii) the Placing and Offer Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission; and
- (iii) the Minimum Proceeds being raised.

If the Minimum Proceeds are not raised, the Issue will not proceed and monies received under the Issue will be returned to applicants without interest at the applicants' risk.

### SCALING BACK

The maximum number of Shares available under the Issue is 250 million. In the event that commitments under the Issue exceed 250 million Shares, it would be necessary to scale back applications under the Issue. In such an event, applications under the Issue will be scaled back at Investec's discretion (in consultation with the Company and the Manager) and thereafter no further commitments or applications will be accepted and the Issue will be closed. The Offer for Subscription will not be subject to scaling back in favour of the Placing.

## **THE PLACING AND OFFER AGREEMENT**

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

The Placing and Offer Agreement provides for Investec to be paid commissions by the Company in respect of the Shares to be allotted pursuant to the Issue. Under the Placing and Offer Agreement, Investec 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 Issue. Investec is also entitled under the Placing and Offer Agreement to retain agents and may pay commission in respect of the Issue to any or all of those agents out of its own resources.

Further details of the terms of the Placing and Offer Agreement are set out in paragraph 7.1 of Part 7 of this document.

## **ADMISSION**

Admission is expected to take place at 8.00 a.m. on 17 February 2015. An investor applying for Shares in the Issue may receive Shares in certificated or uncertificated form. The Shares are in registered form. No temporary documents of title will be issued. Dealings in Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. It is expected that CREST accounts will be credited on 17 February 2015 in respect of Shares issued in uncertificated form and definitive share certificates in respect of Shares held in certificated form will be despatched by post after the week commencing 2 March 2015.

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

## **CREST**

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

## **USE OF PROCEEDS**

The Directors intend to use the net proceeds of the Issue, after costs and after providing for the Company's operational expenses, to purchase investments sourced by the Manager in line with the Company's investment objective and investment policy. It is expected that the net proceeds of the Issue will be deployed in accordance with the Company's investment policy within a period of 45 days after Admission (subject to market conditions).

## **OVERSEAS PERSONS**

The attention of potential investors who are Overseas Persons is drawn to the paragraphs below.

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

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

Persons (including, without limitation, nominees and trustees) receiving this document may not distribute or send it to any U.S. 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 U.S. Investment Company Act and the offer, issue and sale of the Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Shares are only being offered and sold outside the United States to non-U.S. Persons in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. Investors should additionally consider the provisions set out under the heading Important Notices on page 24 of this document.

In addition, until 40 days after the commencement of the Issue, an offer or sale of the Shares within the United States by any dealer (whether or not participating in the Issue) may violate the registration requirements of the U.S. Securities Act.

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

### **United States transfer restrictions**

Each of Investec and the Manager has acknowledged and warranted in the Placing and Offer Agreement that it will not offer or sell or procure the offer or sale of the Shares except in compliance with Regulation S. The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, investors may not reoffer, resell, pledge or otherwise transfer or deliver, directly or indirectly, any Shares within the United States, or to, or for the account or benefit of, any U.S. Person.

### **TYPICAL INVESTOR**

An investment in the Shares is only suitable for institutional investors and professionally advised or financially sophisticated non-advised private investors who understand, and are capable of evaluating, the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that 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 Issue. Furthermore, an investment in the Shares should constitute part of a diversified investment portfolio. It should be remembered that the price of securities and the income from them can go down as well as up.

## PART 6

# TAXATION

### U.S. TAXATION

The Company's share of U.S. source dividends, U.S. source interest (other than "portfolio interest," interest on bank deposits and original issue discount on certain short-term obligations) and certain other U.S. source "fixed and determinable annual or periodical" income derived by it will be subject to U.S. withholding tax at the rate of 30 per cent., unless reduced pursuant to the income tax treaty between the United States and United Kingdom (the "**Treaty**"). The Company expects that pursuant to the Treaty, as long as the Shares are admitted to dealings on the London Stock Exchange (or certain other recognised exchanges under the Treaty) and are regularly traded thereon, U.S. source dividends will be subject to withholding tax at a reduced 15 per cent. rate. The Company's share of U.S. source "portfolio interest" interest on bank deposits and original issue discount on certain short-term obligations derived by it will be exempt from this withholding tax. Moreover, even if any U.S. source interest fails to qualify as "portfolio interest," interest on bank deposits or original issue discount on certain short-term obligations, the Company expects, as long as the Shares are admitted to dealings on the London Stock Exchange (or certain other recognised exchanges under the Treaty) and are regularly traded thereon, that such U.S. source interest, other than certain contingent interest, will be eligible for a complete exemption from U.S. withholding tax pursuant to the Treaty.

The information contained in this document relating to U.S. taxation matters is not intended to be fully comprehensive, nor to provide U.S. tax advice to any specific person. Tax treaties, laws and regulations and administration thereof are subject to change, potentially with retroactive effect. Investors should seek advice based on their particular circumstances from an independent, appropriately qualified, tax adviser.

### UK TAXATION

#### Introduction

The information below, which relates only to United Kingdom taxation, summarises the advice received by the Board in so far as applicable to the Company and to persons who are resident in the United Kingdom for taxation purposes and who hold Shares as an investment. It is based on current United Kingdom tax law and published practice, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Shareholder investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject.

**If you are in any doubt as to your tax position or you are subject to tax in a jurisdiction outside the UK, you should consult an appropriate professional adviser without delay.**

#### The Company

It is the intention of the Directors to conduct the affairs of the Company so that it satisfies and continues to satisfy the conditions necessary for it to be approved by HMRC as an investment trust under section 1158 of the CTA 2010 and pursuant to regulations made under section 1159 of the CTA 2010. However, neither the Manager nor the Directors can guarantee that this approval will be maintained. One of the conditions for a company to qualify as an investment trust is that it is not a close company. The Directors consider that the Company should not be a close company immediately following Admission. In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust the Company will be exempt from UK taxation on its capital gains. The Company will, however, (subject to what follows) be liable to UK corporation tax on its income in the normal way.

An investment trust approved under sections 1158 and 1159 of the CTA 2010, or one that intends to seek such approval, is able to elect to take advantage of modified UK tax treatment in respect of its "qualifying interest income" for an accounting period (referred to here as the "streaming" regime). Under regulations made pursuant to the Finance Act 2009, the Company may, if it so chooses,

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.

The Company should in practice be exempt from UK corporation tax on dividend income received, provided that such dividends (whether from UK or non-UK companies) fall within one of the “exempt classes” in Part 9A of the CTA 2009.

## **Shareholders**

### ***Taxation of capital gains***

Individual Shareholders who are resident or ordinarily resident in the UK for tax purposes will generally be subject to capital gains tax in respect of any gain arising on a disposal of their Shares. Each such individual has an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £11,000 for the tax year 2014–2015. Capital gains tax chargeable will be at the current rate of 18 per cent. (for basic rate tax payers) and 28 per cent. (for higher and additional rate tax payers) during the tax year 2014–2015.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to corporation tax on chargeable gains arising on a disposal of their Shares. The indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax but may not create or increase any allowable loss.

Capital losses realised on a disposal of Shares must be set off as far as possible against chargeable gains for the same tax year (or accounting period in the case of a corporate Shareholder), even if this reduces an individual Shareholder’s total gain below the annual exemption. Any balance of losses is carried forward without time limit and set off against net chargeable gains (that is, after deducting the annual exemption) in the earliest later tax year. Losses cannot generally be carried back, with the exception of losses accruing to an individual Shareholder in the year of his death.

### ***Taxation of Shareholders on tendering Shares under a tender offer or a market repurchase of Shares***

A Shareholder who sells Shares in a tender offer or by way of a repurchase in the market should be treated, for the purposes of UK taxation, as though the Shareholder had sold them in the normal way to a third party (see above). It is not intended that an application will be made to HMRC for clearance under section 701 of the ITA or section 748 of the CTA 2010 in respect of the provisions in the ITA or (for corporate Shareholders) the CTA 2010 which permit HMRC to counteract tax advantages arising from certain transactions in securities by treating some or all of the proceeds of capital disposals as a distribution of income. However, they do not apply where it can be shown that the transactions in question were entered into for *bona fide* commercial reasons and do not involve as one of their main objects the obtaining of a tax advantage. Shareholders are advised to take independent advice as to the potential application of relevant provisions in the light of their own particular motives and circumstances.

### ***Taxation of dividends***

#### ***(a) Individual Shareholders***

##### ***(i) Non interest distributions***

In the event that the Directors do not elect for the new “streaming” regime to apply to any dividends paid by the Company, the following statements summarise the expected UK tax treatment for individual Shareholders who receive dividends from the Company. The following statements would also apply to any dividends not treated as “interest distributions” were the Directors to elect for the streaming regime to apply.

The Company will not be required to withhold tax at source when paying a dividend. An individual Shareholder who is resident in the UK for tax purposes and who receives a

dividend from the Company should generally be entitled to a notional tax credit which may be set off against the Shareholder's total income tax liability on the dividend. An individual UK resident Shareholder will be liable to income tax on the sum of the tax credit and the dividend (the "**gross dividend**") which will be treated as the top slice of the individual's income for UK income tax purposes. The tax credit equals 10 per cent. of the gross dividend. The tax credit therefore also equals one-ninth of the cash dividend received.

A UK resident individual Shareholder who is liable to income tax at the current basic rate will be subject to tax on the dividend at the rate of 10 per cent. 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.

The rate of income tax applied to dividends received by a UK resident individual liable to income tax at the current higher rate will be 32.5 per cent. to the extent that such dividends, when treated as the top slice of the Shareholder's income, fall above the threshold for current higher rate income tax. In the case of such Shareholder's liability, the tax credit will be set against, but will not fully match, their tax liability on the gross dividend. After taking account of the 10 per cent. tax credit, such Shareholder will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which equals 25 per cent. of the cash dividend received) to the extent that it falls above the threshold for current higher rate income tax.

An additional rate of income tax of 45 per cent. applies for individual Shareholders with income over £150,000. A dividend tax rate of 37.5 per cent. applies, to the extent that dividends, when treated as the top slice of the Shareholder's income, fall above this threshold. After taking into account the 10 per cent. tax credit, such Shareholders will have an effective dividend tax rate of 30.56 per cent. of the cash dividend received.

There will be no repayment of all or 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. This will include a Shareholder who holds Shares through an ISA.

(ii) *Interest distributions*

Should the Directors elect to apply the "streaming" regime to any dividends paid by the Company, were the Company to designate any dividends paid as an "interest distribution", a UK resident 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 be paid to the individual Shareholder after the deduction of 20 per cent. income tax.

(b) *Other Shareholders*

UK resident taxpayers who are not liable to UK tax on dividends, including pension funds and charities, will not be entitled to claim a repayment of the tax credit attaching to dividends paid by the Company.

UK resident corporate Shareholders will not generally in practice be subject to corporation tax on dividends paid by the Company but will not be able to claim a repayment of the tax credit attaching to the dividends. If, however, the Directors did elect for the new "streaming" rules to apply, and such 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.

Non-UK resident Shareholders will not generally be able to claim repayment from HMRC of any part of the tax credit attaching to dividends paid by the Company. A Shareholder resident outside the UK may also be subject to foreign taxation on dividend income under local law.

**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.**



### *Stamp Duty and Stamp Duty Reserve Tax*

Transfers on sale of Shares will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer. The purchaser normally pays the stamp duty.

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

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

Historically, where shares have been issued or transferred:

- (a) to, or to a nominee for, a person whose business is or includes the provision of clearance services; or
- (b) to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts,

then stamp duty or SDRT has been payable at the higher rate of 1.5 per cent. of the amount or value of the consideration given or, in certain circumstances, the value of the shares.

This liability for stamp duty or SDRT has strictly been payable by the clearance service or depositary receipt operator or their nominee, as the case may be, but has, in practice, been payable by the participants in the clearance service or depositary receipt scheme.

However, following recent case law developments HMRC have confirmed that they will not impose such a stamp duty or SDRT charge in relation to issues of shares to issuers of depositary receipts or providers of clearance services.

### *ISA, SSAS and SIPP*

Shares acquired by a UK resident individual Shareholder in the Offer or on the secondary market (but not the Placing) should be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£15,000 from 1 July 2014 in the tax year 2014-2015).

Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Sums received by a Shareholder on a disposal of Shares would not count towards the Shareholder's annual limit; but a disposal of Shares held in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year.

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

The Directors have been advised that the Shares should be eligible for inclusion in a SIPP or a SSAS, subject to the discretion of the trustees of the SIPP or the SSAS, as the case may be.

## **PART 7**

### **GENERAL INFORMATION**

#### **1. THE COMPANY**

- 1.1 The Company was incorporated in England and Wales on 18 December 2014 with registered number 9361576 as a public company limited by shares under the Companies Act.
- 1.2 The principal place of business and the registered office of the Company is 5th Floor, 6 St Andrew Street, London EC4A 3AE with telephone number +44 (0) 20 7832 4900.
- 1.3 The principal legislation under which the Company operates is the Companies Act. As an investment trust, the Company will not be regulated as a collective investment scheme by the FCA. However, from Admission, it will be subject to the Listing Rules, Prospectus Rules and the Disclosure and Transparency Rules.
- 1.4 Save for entry into the material contracts summarised in paragraph 7 of this Part 7, the Company has not commenced operations since incorporation and, as at the date of this document, no financial statements have been made up and no dividends have been declared by the Company.
- 1.5 The Company's accounting period will end on 31 March of each year. The first accounting period will end on 31 March 2016. The annual report and accounts will be prepared in Sterling according to accounting standards laid out under UK GAAP.
- 1.6 On 15 January 2015, the Company was granted a certificate under section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers.
- 1.7 The Company is domiciled in England and Wales, has no subsidiaries, does not have any employees and does not own any premises.
- 1.8 The Company has given notice to the Registrar of Companies of its intention to carry on business as an investment company pursuant to section 833 of the Companies Act.
- 1.9 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 sections 1158 and 1159 (and regulations made thereunder) of the CTA 2010. In summary, the conditions that must be met for approval as an investment trust are that:
  - 1.9.1 the Company must not be a close company at any time during any accounting period in which it is approved as an investment trust;
  - 1.9.2 each class of the Company's ordinary share capital is admitted to trading on a regulated market;
  - 1.9.3 the Company must not retain in respect of any accounting period an amount greater than 15 per cent. of its income;
  - 1.9.4 the business of the Company must consist of investing its funds in shares, land or other assets with the aim of spreading investment risk and giving Shareholders the benefit of the results of the management of its funds; and
  - 1.9.5 the Company must not be a venture capital trust or a UK REIT within the meaning of the CTA 2010.

#### **2. SHARE CAPITAL**

- 2.1 On incorporation, the issued share capital of the Company was one Share of a nominal value of £0.01, which were subscribed by the Manager. On 15 January 2015 the Company issued 50,000 Management Shares of a nominal value of £1.00 each which were subscribed 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>
Shares	0.01	1
Management Shares	50,000	50,000

The issued subscriber Share and the Management Shares are fully paid up.

2.3 Set out below is the issued share capital of the Company as it will be following the Issue (assuming that 250 million Shares are allotted):

	<i>Nominal value (£)</i>	<i>Number</i>
Shares	2,500,000	250,000,000
Management Shares	50,000	50,000

All Shares will be fully paid. The Management Shares are fully paid up and will be redeemed following Admission out of the proceeds of the Issue.

2.4 The effect of the Issue will be to increase the net assets of the Company. On the assumption that the Issue is subscribed as to 250 million Shares, the fundraising is expected to increase the net assets of the Company by a minimum of £247.5 million. The Issue is expected to be earnings enhancing.

2.5 By ordinary and special resolutions passed on 15 January 2015:

2.5.1 the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot Shares up to an aggregate nominal amount of £2,500,000 in connection with the Issue, such authority to expire at 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;

2.5.2 the Directors were empowered (pursuant to section 570 of the Companies Act) to allot Shares for cash pursuant to the authority referred to in paragraph 2.5.1 above as if section 561 of the Companies Act did not apply to any such allotment, such power to expire at the conclusion of the 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 Shares to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired;

2.5.3 the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot Shares up to an aggregate nominal amount of £250,000 or, if less, 10 per cent. of the aggregate nominal value of the issued Share capital of the Company immediately following the completion of the Issue, 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;

2.5.4 the Directors were empowered (pursuant to sections 570 and 573 of the Companies Act) to allot Shares and to sell Shares from treasury for cash pursuant to the authority referred to in paragraph 2.5.3 above as if section 561 of the Companies 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 agreement as if such power had not expired;

2.5.5 the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot

250 million C Shares, such authority to expire at the conclusion of the fourth 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 C Shares in pursuance of such an offer or agreement as if such authority had not expired;

- 2.5.6 the Directors were empowered (pursuant to section 570 of the Companies Act) to allot C Shares for cash pursuant to the authority referred to in paragraph 2.5.5 above as if section 561 of the Companies Act did not apply to any such allotment, such power to expire at the conclusion of the fourth 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 after the expiry of such power, and the Directors may allot equity securities in pursuance of such an offer or an agreement as if such power had not expired;
  - 2.5.7 conditionally upon the issue of Shares by the Company pursuant to the Issue and the payment up in full thereof, it was resolved that the amount standing to the credit of the share premium account of the Company following completion of the Issue be cancelled; and
  - 2.5.8 the Company was authorised in accordance with section 701 of the Companies Act to make market purchases (within the meaning of section 693(4) of the Companies Act) of Shares provided that the maximum number of Shares authorised to be purchased is 14.99 per cent. of the Shares in issue immediately following completion of the Issue. The minimum price which may be paid for a Share is £0.01. The maximum price which may be paid for a Share must not be more than the higher of: (i) 5 per cent. above the average of the mid-market value of the Shares for the five Business Days before the purchase is made; or (ii) the higher of the last independent trade and the highest current independent bid for 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 Shares under the authority thereby 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 Shares in pursuance of such contract.
- 2.6 The provisions of section 561(1) of the Companies Act (which, to the extent not disapplied pursuant to sections 570 and 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to issues by the Company of equity securities save to the extent disapplied as mentioned in paragraphs 2.5.2, 2.5.4 and 2.5.6 above.
  - 2.7 In accordance with the power granted to the Directors by the Articles, it is expected that the Shares will be allotted (conditionally upon Admission) pursuant to a resolution of the Board to be passed shortly before Admission in accordance with the Companies Act.
  - 2.8 Save as disclosed in this paragraph 2, no share or loan capital of the Company has since the date of incorporation of the Company been issued or been agreed to be issued, fully or partly paid, either for cash or for a consideration other than cash, and no such issue is now proposed.
  - 2.9 The Company has not granted any options over its share or loan capital which remain outstanding and has not agreed, conditionally or unconditionally to grant any such options and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
  - 2.10 All of the Shares will be in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued.
  - 2.11 Applicants who have signed and returned Application Forms in respect of the Offer may not withdraw their applications for Shares subject to their statutory rights of withdrawal in the event of the publication of a supplementary prospectus.

### 3. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

- 3.1 The Directors intend to subscribe for Shares pursuant to the Issue in the amounts set out below:

<i>Director</i>	<i>Number of Shares</i>	<i>% of issued Share capital*</i>
Andrew Bell	75,000	0.03
Richard Fitzalan Howard	20,000	0.01
Rudolf Bohli	—	—
Charles Irby	75,000	0.03

\* Assuming that the Issue is subscribed as to 250 million Shares

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

- 3.2 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. The Directors are subject to retirement by rotation in accordance with the Articles. There is no notice period specified in the letters of appointment or Articles for the removal of Directors. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) written request of all of the other Directors.
- 3.3 Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Save for the Chairman, the initial fees will be £25,000 for each Director per annum. The Chairman's initial fee will be £35,000 per annum. The Chairman of the Audit and Management Engagement Committee will receive an additional £7,500 per annum. The Chairman of the Nominations Committee will receive an additional £2,500 per annum. Mr. Bohli will also receive an additional £2,500 for his membership of the Audit and Management Engagement Committee. The Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties. The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting period ending on 31 March 2016 which will be payable out of the assets of the Company are not expected to exceed £122,500.
- 3.4 No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits.
- 3.5 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or that has been effected by the Company since its incorporation.
- 3.6 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.
- 3.7 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 administrative, management or supervisory bodies and/or partnerships:

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Andrew Bell	Henderson High Income Trust PLC Witan Investment Services Limited Witan Investment Trust PLC AIC Information Services Limited	The Association of Investment Companies Framlington Innovative Growth Trust Plc Bedford School Foundation Investec Wealth & Investment Limited
Richard Fitzalan Howard	CCFHB Limited The Global Fund for Forgotten People, Order of Malta JP Morgan Smaller Companies Investment Trust plc	Fleming Smaller Companies Securities Limited FF&P Unit Trust Management Limited FF&P 2003 Investor 1 LLP

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Richard Fitzalan	FF&P Asset Management Limited	FF&P 2004 Investor 24 LLP
Howard <i>continued</i>	CCLA Investment Management Limited The Dulverton Trust Basmom Foundation Hospitaller Ltd Orders of St John Care Trust	
Rudolf Bohli	RBR Capital Advisors AG RBR Funds SICAV	Gabelli SICAV
Charles Irby	North Atlantic Smaller Companies Investment Trust PLC	Aberdeen Asset Management Plc Great Portland Estates Plc QBE Insurance Group Ltd Elanique Events Limited.

- 3.8 The Directors in the five years before the date of this document:
- 3.8.1 do not have any convictions in relation to fraudulent offences;
  - 3.8.2 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
  - 3.8.3 do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.
- 3.9 As at 28 January 2015 (the latest practicable date prior to the publication 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.
- 3.10 All Shareholders have the same voting rights in respect of the share capital of the Company.
- 3.11 Pending the allotment of Shares pursuant to the Issue, the Company is controlled by the Manager. The Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 3.12 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.
- 3.13 Save for the entry into of the Management Agreement, the Company has not entered into any related party transaction at any time during the period from incorporation to 28 January 2015 (the latest practicable date prior to the publication of this document).
- 3.14 As at the date of this document, none of the Directors has any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.
- 3.15 The Company intends to maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

#### **4. THE ARTICLES**

The Articles contain provisions, inter alia, to the following effect:

##### **4.1 Objects/Purposes**

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

##### **4.2 Voting rights**

- 4.2.1 Subject to the provisions of the Companies Act, to any special terms as to voting on which any shares may have been issued or may from time-to-time be held and any



suspension or abrogation of voting rights pursuant to the Articles, at a general meeting of the Company every member who is present in person shall, on a show of hands, have one vote, every proxy who has been appointed by a member entitled to vote on the resolution shall, on a show of hands, have one vote and every member present in person or by proxy shall, on a poll, have one vote for each share of which he is a holder. A Shareholder entitled to more than one vote need not, if he votes, use all his votes or vest all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

- 4.2.2 Unless the Board otherwise determines, no member is entitled to vote at a general meeting or at a separate meeting of Shareholders of any class of shares, either in person or by proxy, or to exercise any other right or privilege as a member in respect of any share held by him, unless all calls presently payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by such member to the Company have been paid or if he, or any other person whom the Company reasonably believes to be interested in such shares, has been issued with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed in relation to any such shares to give the Company the required information within 14 days.
- 4.2.3 Notwithstanding any other provision of the Articles, where required by the Listing Rules, a vote must be decided by a resolution of the holders of the Company's shares that have been admitted to premium listing. In addition, where the Listing Rules require that a particular resolution must in addition be approved by the independent shareholders (as such term is defined in the Listing Rules), only independent shareholders who hold the Company's shares that have been admitted to premium listing can vote on such separate resolution.

#### 4.3 Dividends

- 4.3.1 Subject to the provisions of the Companies Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.
- 4.3.2 Subject to the provisions of the Companies Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on Shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.
- 4.3.3 All dividends, interest or other sums payable and unclaimed for a period of 12 months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.
- 4.3.4 The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.
- 4.3.5 The Board may also, with the prior authority of an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer to holders of shares the right to elect to receive shares, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.

- 4.3.6 Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld if such shares represent at least 0.25 per cent. in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 days. Furthermore such a holder shall not be entitled to elect to receive shares instead of a dividend.

#### 4.4 **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 Companies 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.

#### 4.5 **Transfer of shares**

- 4.5.1 Subject to any applicable restrictions in the Articles, each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument must be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the transferee's name is entered in the register of members.
- 4.5.2 The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:
- 4.5.2.1 it is in respect of a share which is fully paid up;
  - 4.5.2.2 it is in respect of only one class of shares;
  - 4.5.2.3 it is in favour of a single transferee or not more than four joint transferees;
  - 4.5.2.4 it is duly stamped (if so required); and
  - 4.5.2.5 it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time-to-time determine, accompanied (except in the case of: (a) a transfer by a recognised person where a certificate has not been issued; (b) a transfer of an uncertificated share; or (c) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so, provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share in certificated form on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading. The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the regulations and the relevant electronic system.
- 4.5.3 Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within 14 days and the

shares in respect of which such notice has been served represent at least 0.25 per cent. in nominal value of their class, unless the member is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or is in consequence of a *bona fide* sale to an unconnected party.

- 4.5.4 If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company.
- 4.5.5 No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.
- 4.5.6 If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under section 3(42) of ERISA or the U.S. Code; or (ii) would or might result in the Company and/or its shares being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934 and/or any laws of any state of the U.S. that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Securities Exchange Act 1934; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder, or (vi) would cause the Company adverse consequences under the foreign account tax compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010, then any shares which the Directors decide are shares which are so held or beneficially owned ("**Prohibited Shares**") must be dealt with in accordance with paragraph 4.5.7 below. The Directors may at any time give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share.
- 4.5.7 The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of shareholder and those rights will vest in the Chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion. If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company's costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate (if applicable).
- 4.5.8 Upon transfer of a share the transferee of such share shall be deemed to have represented and warranted to the Company that such transferee is acquiring shares in an offshore transaction meeting the requirements of Regulation S and is not, nor is acting on behalf of: (i) a benefit plan investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as "plan assets" of any benefit plan investor under Section 3(42) of ERISA; and/or (ii) a U.S. Person.

#### 4.6 **Variation of rights**

- 4.6.1 Subject to the provisions of the Companies Act, if at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares (whether or not the Company may be or is about to be wound up) may from time-to-time be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class.
- 4.6.2 The quorum at every such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.

#### 4.7 **Alteration of share capital**

The Company may by ordinary resolution:

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

#### 4.8 **General meetings**

- 4.8.1 The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.
- 4.8.2 A general meeting shall be convened by such notice as may be required by law from time-to-time.
- 4.8.3 The notice of any general meeting shall include such statements as are required by the Companies Act and shall in any event specify:
- 4.8.3.1 whether the meeting is convened as an annual general meeting or any other general meeting;
  - 4.8.3.2 the place, the day, and the time of the meeting;
  - 4.8.3.3 the general nature of the business to be transacted at the meeting;
  - 4.8.3.4 if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such; and
  - 4.8.3.5 with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or (provided each proxy is appointed to exercise the rights attached to a different share held by the member) more proxies to attend and to speak and vote instead of the member and that a proxy need not also be a member.
- 4.8.4 The notice must be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the auditors and to any other person who may be entitled to receive it. The accidental omission to give or send notice of any general meeting, or, in cases where it is intended that it be given or sent out with the

notice, any other document relating to the meeting including an appointment of proxy to, or the non-receipt of notice by, any person entitled to receive the same, shall not invalidate the proceedings at the meeting.

- 4.8.5 The right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Companies Act or the Articles to be made available at the meeting.
- 4.8.6 A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairman of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.
- 4.8.7 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Subject to the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a member so entitled or a proxy for a member so entitled or a duly authorised representative of a corporation which is a member so entitled, shall be a quorum. If, at any time, there is only one person entitled to attend and to vote on the business to be transacted, such person being the sole member so entitled or a proxy for such sole member so entitled or a duly authorised representative of a corporation which is such sole member so entitled, shall be a quorum. The Chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time-to-time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 30 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.
- 4.8.8 A resolution put to a vote of the meeting shall be decided on a show of hands unless a poll is duly demanded. Subject to the provisions of the Companies Act, a poll may be demanded by:
  - 4.8.8.1 the Chairman;
  - 4.8.8.2 at least five members having the right to vote on the resolution;
  - 4.8.8.3 a member or members representing not less than ten per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to shares held as treasury shares); or
  - 4.8.8.4 member or members holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than ten per cent. of the total sum paid up on all the shares conferring that right (excluding any voting rights attached to shares in the Company conferring a right to vote on the resolution held as treasury shares).

#### 4.9 **Borrowing powers**

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and, subject to the provisions of the Companies Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Directors shall restrict the borrowings of the Company that the aggregate principal amount (including any premium payable on final repayment) outstanding of all money borrowed by the Company shall not, save with the previous sanction of an ordinary resolution of the Company, exceed an amount equal to 40 per cent. of the Company's net assets at the time of draw down.



#### 4.10 **Issue of shares**

Subject to the provisions of the Companies Act and to any rights for the time being attached to any shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time-to-time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine, and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Directors may determine.

#### 4.11 **Powers of the Board**

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, whether relating to the management of the business or not. 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.

#### 4.12 **Directors' fees**

4.12.1 The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time-to-time determine (not exceeding in aggregate £300,000 per annum or such other sum as the Company in general meeting shall from time-to-time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles or otherwise and shall accrue from day to day.

4.12.2 The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

#### 4.13 **Directors' interests**

4.13.1 The Board may authorise any matter proposed to it in accordance with the Articles which would otherwise involve a breach by a Director of his duty to avoid conflicts of interest under the Companies Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interest of the Company or the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it (excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting at which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.

4.13.2 Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director and in respect of which he has a duty of confidentiality to another person and will not be in breach of the general duties he owes to the Company under the Companies Act because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict, of interest is discussed and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.



- 4.13.3 Provided that his interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Companies Act, a Director, notwithstanding his office:
- 4.13.3.1 may be a party to or otherwise be interested in any transaction arrangement or proposal with the Company or in which the Company is otherwise interested;
  - 4.13.3.2 may hold any other office or place of profit at the Company (except that of auditor of the Company or any of its subsidiaries) and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange;
  - 4.13.3.3 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 company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has powers of appointment; and
  - 4.13.3.4 shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction, arrangement or proposal or from any interest in any body corporate. No such transaction, arrangement or proposal shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty not to accept benefits from third parties.
- 4.13.4 A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his service contract that have been or are to be considered at a meeting of the Directors or if the interest consists of him being a director, officer or employee of a company in which the Company is interested.
- 4.13.5 The Board may cause the voting rights conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit and a Director may vote on and be counted in the quorum in relation to any of these matters.

#### **4.14 Restrictions on Directors voting**

- 4.14.1 A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any transaction or arrangement in which he has an interest which is to his knowledge a material interest and, if he purports to do so, his vote will not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:
- 4.14.1.1 any transaction or arrangement in which he is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;
  - 4.14.1.2 the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;
  - 4.14.1.3 the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - 4.14.1.4 the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;
  - 4.14.1.5 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

- 4.14.1.6 any proposal concerning any other body corporate in which he does not to his knowledge have an interest (as the term is used in Part 22 of the Companies Act) in one per cent. or more of the issued equity share capital of any class of such body corporate nor to his knowledge holds 1 per cent. or more of the voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (within the meaning of the Disclosure and Transparency Rules) in such body corporate;
  - 4.14.1.7 any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
  - 4.14.1.8 any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;
  - 4.14.1.9 any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure; or
  - 4.14.1.10 any transaction or arrangement in respect of which his interest, or the interest of Directors generally has been authorised by ordinary resolution.
- 4.14.2 A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

#### **4.15 Number of Directors**

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors shall be not less than two and the number is not subject to a maximum.

#### **4.16 Directors' appointment and retirement**

- 4.16.1 Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director shall hold office only until the next annual general meeting and shall not be taken into account in determining the number of Directors who are to retire by rotation.
- 4.16.2 At each annual general meeting of the Company, any Directors appointed by the Board since the last annual general meeting shall retire. In addition one-third of the remaining Directors or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third, shall retire from office by rotation. If there are fewer than three such Directors, one Director shall retire from office.
- 4.16.3 At each annual general meeting, any Director who was last elected or last re-elected at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation. If the number of Directors so retiring is less than the minimum number of Directors who are required to retire by rotation, additional Directors up to that number shall retire (namely, those Directors who are subject to rotation but who wish to retire and not offer themselves for re-election and those Directors who have been Directors longest since their appointment or last reappointment (and, as between those who have been in office an equal length of time, those to retire shall, unless they otherwise agree, be determined by lot)).
- 4.16.4 Any Director who would not otherwise be required to retire shall also retire if he has been with the Company for a continuous period of nine years or more at the date of the meeting and shall not be taken into account when deciding which and how many Directors should retire by rotation at the annual general meeting.

#### 4.17 **Notice requiring disclosure of interest in shares**

- 4.17.1 The Company may, by notice in writing, require a person whom the Company knows to be, or has reasonable cause to believe is, interested in any shares or at any time during the three years immediately preceding the date on which the notice is issued to have been interested in any shares, to confirm that fact or (as the case may be) to indicate whether or not this is the case and to give such further information as may be required by the Directors. Such information may include, without limitation, particulars of the person's identity, particulars of the person's own past or present interest in any shares and to disclose the identity of any other person who has a present interest in the shares held by him, where the interest is a present interest and any other interest, in any shares, which subsisted during that three year period at any time when his own interest subsisted to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required and where a person's interest is a past interest to give (so far as is within his knowledge) like particulars for the person who held that interest immediately upon his ceasing to hold it.
- 4.17.2 If any shareholder is in default in supplying to the Company the information required by the Company within the prescribed period (which is 14 days after service of the notice), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the shareholder. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "**default shares**") the shareholder shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent. in nominal value of the class of shares concerned, the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the default shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

#### 4.18 **Untraced shareholders**

Subject to the Articles, the Company may sell any shares registered in the name of a member remaining untraced for 12 years who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

#### 4.19 **Indemnity of officers**

Subject to the provisions of the Companies Act, but without prejudice to any indemnity to which he might otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the auditors or the auditors of an associated company) may at the discretion of the Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, or as a trustee of an occupational pension scheme (as defined in section 235(6) Companies Act). In addition the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company).

#### 4.20 **Management Shares**

The Management Shares can be redeemed at any time (subject to the provisions of the Companies Act) by the Company and carry the right to receive a fixed annual dividend equal to 0.01 per cent. of the nominal amount of each of the shares payable on demand. For so long as there are shares of any other class in issue, the holders of the Management Shares will not have any right to receive notice of or vote at any general meeting of the Company. If there are no shares of any other class in issue, the holders of the Management Shares will have the right

to receive notice of, and to vote at, general meetings of the Company. In such circumstances, each holder of a Management Share who is present in person (or, being a corporation, by representative) or by proxy at a general meeting will have on a show of hands one vote and on a poll every such holder who is present in person or by proxy (or being a corporation, by representative) will have one vote in respect of each Management Share held by him.

#### 4.21 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.

4.21.1 The following definitions apply for the purposes of this paragraph 4.21 only:

**“Calculation Date”** means, in relation to any tranche of C Shares, 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 85 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 that tranche of C Shares or if such a date is not a Business Day the next following Business Day; or
- (iii) the close of business on such date as the Directors may decide is necessary to enable the Company to comply with its obligations in respect of Conversion of that tranche of C Shares; or
- (iv) close of business on the day on which the Directors resolve that Force Majeure Circumstances have arisen or are in contemplation in relation to any tranche of C Shares;

**“Conversion”** means conversion of any tranche of C Shares into Shares and Deferred Shares in accordance with paragraph 4.21.8 below;

**“Conversion Date”** means, in relation to any tranche of C Shares, 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 of such tranche of C Shares;

**“Conversion Ratio”** is the ratio of the net asset value per C Share of the relevant tranche to the net asset value per Share, which is calculated as:

$$\text{Conversion Ratio} = \frac{A}{B}$$

$$A = \frac{C - D}{E}$$

$$B = \frac{F - G}{H}$$

where:

**“C”** is the aggregate of:

- (i) the value of the investments of the Company attributable to the C Shares of the relevant tranche (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (ii) below) which are listed, quoted, dealt in or traded on a stock exchange calculated by reference to the bid-market quotations at close of business of, or, if appropriate, the daily average of the prices marked for, those investments on the relevant Calculation Date on the principal stock exchange or market where the relevant investment is listed, quoted, dealt in or traded, as derived from the relevant exchange's or market's recognised method of publication of prices for such investments where such published prices are available;

- (ii) the value of all other investments of the Company attributable to the C Shares of the relevant tranche (other than investments included in (i) above) calculated by reference to the Directors' belief as to a fair current value for those investments on the relevant Calculation Date after taking into account any other price publication services reasonably available to the Directors; and
- (iii) the amount which, in the Directors' opinion, fairly reflects, on the relevant Calculation Date, the value of the current assets of the Company attributable to the C Shares of the relevant tranche (excluding the investments valued under (i) and (ii) 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 of the relevant tranche) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the C Shares of the relevant tranche on the relevant Calculation Date;

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

"F" is the aggregate of:

- (i) the value of all the investments of the Company attributable to the Shares (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (ii) below) which are listed, quoted, dealt in or traded on a stock exchange calculated by reference to the bid-market quotations at close of business of, or, if appropriate, the daily average of the prices marked for, those investments on the relevant Calculation Date on the principal stock exchange or market where the relevant investment is listed, quoted, dealt in or traded as derived from the relevant exchange's or market's recognised method of publication of prices for such investments where such published prices are available; and
- (ii) the value of all other investments of the Company attributable to the Shares (other than investments included in (i) above) calculated by reference to the Directors' belief as to a fair current value for those investments on the relevant Calculation Date after taking into account any other price publication services reasonably available to the Directors; and
- (iii) the amount which, in the Directors' opinion, fairly reflects, on the relevant Calculation Date, the value of the current assets of the Company attributable to the Shares (excluding the investments valued under (i) and (ii) 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 attributable to the Shares on the relevant Calculation Date; and

"H" is the number of Shares in issue on the relevant Calculation Date (excluding any Shares held in treasury), provided that the Directors shall make such adjustments to the value or amount of A and B as the Directors believe 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 of the relevant tranche and/or to the reasons for the issue of the C Shares of the relevant tranche;

"Deferred Shares" means deferred shares of one penny each in the capital of the Company arising on Conversion;

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

**“Force Majeure Circumstances”** means, in relation to any tranche of C Shares: (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 of the relevant tranche 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 any tranche of C Shares (after deduction of those commissions and expenses relating thereto and payable by the Company).

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

4.21.2 The holders of the Shares, any tranche of C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights to be paid dividends:

4.21.2.1 the Deferred Shares (to the extent that any are in issue and extant) shall entitle the holders thereof to a cumulative dividend at a fixed rate of 1 per cent. of the nominal amount thereof (the **“Deferred Dividend”**) on the date six months after the Conversion Date on which such Deferred Shares were created in accordance with paragraph 4.21.8 (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 redemption of the Deferred Shares as described below, it is not expected that any dividends will accrue or be paid on such shares;

4.21.2.2 the holders of any tranche of C Shares shall be entitled to receive in that capacity such dividends as the Directors may resolve to pay out of the assets attributable to the C Shares of that tranche and from profits available for distribution which is attributable to the C Shares of that tranche;

4.21.2.3 the Existing Shares shall confer the right to dividends declared in accordance with the Articles;

4.21.2.4 the Shares into which any tranche of C Shares shall convert shall rank *pari passu* with the Existing Shares for dividends and other distributions made or declared by reference to a record date falling after the relevant Calculation Date; and

4.21.2.5 no dividend or other distribution shall be made or paid by the Company on any of its shares (other than any Deferred Shares for the time being in issue) between any Calculation Date and the relevant Conversion Date (both dates inclusive) and no such dividend shall be declared with a record date falling between any Calculation Date and the relevant Conversion Date (both dates inclusive).

4.21.3 The holders of the Shares, any tranche of C Shares, the Deferred Shares and the Management Shares shall, subject to the provisions of the Articles, have the following rights as to capital:

4.21.3.1 the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase or redemption by the Company of any of its shares) at a time when one or more tranches of



C Shares are for the time being in issue and prior to the Conversion Date be applied amongst the holders of the Existing Shares pro rata according to the nominal capital paid up on their holdings of Existing Shares, after having deducted therefrom:

- 4.21.3.1.1 first, an amount equivalent to (C-D) for each tranche of C Shares in issue using the methods of calculation of C and D given in the definition of Conversion Ratio, which amount(s) shall be applied amongst the C shareholders of the relevant tranche(s) *pro rata* according to the nominal capital paid up on their holdings of C Shares of the relevant tranche;
- 4.21.3.1.2 secondly, if there are Deferred Shares in issue, in paying to the holders of Deferred Shares one penny in aggregate in respect of every one million Deferred Shares (or part thereof) of which they are respectively the holders;
- 4.21.3.1.3 thirdly, in paying to the holders of the Management Shares in respect of each such share the amount paid up or treated as paid up thereon, for the purposes of this paragraph 4.21.3.1 the Calculation Date shall be such date as the liquidator may determine; and
- 4.21.3.2 the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase or redemption by the Company of any of its shares) at a time when no C Shares of any tranche are for the time being in issue be applied as follows:
  - 4.21.3.2.1 first, if there are Deferred Shares in issue, in paying to the deferred shareholders one penny in aggregate in respect of every one million Deferred Shares (or part thereof) of which they are respectively the holders;
  - 4.21.3.2.2 secondly, there will be paid to the holders of the Management Shares in respect of each such share the amount paid up or treated as paid up thereon; and
  - 4.21.3.2.3 thirdly, the surplus shall be divided amongst the Shareholders pro rata according to the nominal capital paid up on their holdings of Shares.
- 4.21.4 As regards voting:
  - 4.21.4.1 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 Shares as set out in the Articles as if the C Shares and Existing Shares were a single class; and
  - 4.21.4.2 the Deferred Shares shall not carry any right to receive notice of nor to attend or vote at any general meeting of the Company.
- 4.21.5 The following shall apply to the Deferred Shares:
  - 4.21.5.1 the C Shares shall be issued on such terms that the Deferred Shares arising upon Conversion (but not the Shares arising on Conversion) may be redeemed by the Company in accordance with the terms set out herein;
  - 4.21.5.2 immediately upon Conversion of any tranche of C Shares, the Company shall redeem all of the Deferred Shares which arise as a result of Conversion of that tranche for an aggregate consideration of one penny for all of the Deferred Shares so redeemed and the notice referred to in paragraph 4.21.8.2 below shall be deemed to constitute notice to each C Shareholder of the relevant tranche (and any person or persons having rights to acquire or acquiring C Shares of the relevant tranche on or after the Calculation Date) that the Deferred Shares shall be so redeemed; and

- 4.21.5.3 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 redemption moneys in respect of such Deferred Shares.
- 4.21.6 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 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:
  - 4.21.6.1 no alteration shall be made to the Articles of the Company;
  - 4.21.6.2 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
  - 4.21.6.3 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 Shares and C Shares, as described above, shall not be required in respect of:

  - 4.21.6.4 the issue of further Shares ranking *pari passu* in all respects with the Existing Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Existing Shares by the issue of such further Shares); or
  - 4.21.6.5 the sale of any shares held as treasury shares (as such term is defined in section 724 of the Companies Act) in accordance with sections 727 and 731 of the Companies Act or the purchase or redemption of any shares by the Company (whether or not such shares are to be held in treasury).
- 4.21.7 For so long as any tranche of C Shares are for the time being in issue, until Conversion of such tranche of C Shares and without prejudice to its obligations under applicable laws the Company shall:
  - 4.21.7.1 procure that the Company's records, and bank and custody accounts shall be operated so that the assets attributable to the C Shares of that tranche 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 of that tranche;
  - 4.21.7.2 allocate to the assets attributable to the C Shares of that tranche 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 tranche of C Shares (both dates inclusive) as the Directors fairly consider to be attributable to that tranche of C Shares; and
  - 4.21.7.3 give appropriate instructions to the Manager to manage the Company's assets so that such undertakings can be complied with by the Company.
- 4.21.8 In relation to any tranche of C Shares, the C Shares for the time being in issue of that tranche shall be sub-divided and converted into Shares and Deferred Shares on the relevant Conversion Date in accordance with the following provisions of this paragraph 4.21.8:
  - 4.21.8.1 the Directors shall procure that within 10 Business Days of the relevant Calculation Date:
    - 4.21.8.1.1 the Conversion Ratio as at the relevant Calculation Date and the numbers of Shares and Deferred Shares to which each C Shareholder of that tranche shall be entitled on Conversion of that tranche shall be calculated; and

- 4.21.8.1.2 the Auditors shall 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 4.21.1 above.
- 4.21.8.2 The Directors shall procure that, as soon as practicable following such confirmation and in any event within 10 Business Days of the relevant Calculation Date, a notice is sent to each C shareholder of the relevant tranche advising such shareholder of the Conversion Date, the Conversion Ratio and the numbers of Shares and Deferred Shares to which such C shareholder of the relevant tranche will be entitled on Conversion.
- 4.21.8.3 On conversion each C Share of the relevant tranche shall automatically subdivide into 10 conversion shares of 1p each and such conversion shares of 1p each shall automatically convert into such number of Shares and Deferred Shares as shall be necessary to ensure that, upon such Conversion being completed:
  - 4.21.8.3.1 the aggregate number of Shares into which the same number of conversion shares of 1p each are converted equals the number of C Shares of the relevant tranche in issue on the relevant Calculation Date multiplied by the relevant Conversion Ratio (rounded down to the nearest whole Share); and
  - 4.21.8.3.2 each conversion share of 1p which does not so convert into a Share shall convert into one Deferred Share.
- 4.21.8.4 The Shares and Deferred Shares arising upon Conversion shall be divided amongst the former C shareholders of the relevant tranche *pro rata* according to their respective former holdings of C Shares of the relevant tranche (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to Shares and Deferred Shares arising upon Conversion including, without prejudice to the generality of the foregoing, selling any Shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company).
- 4.21.8.5 Forthwith upon Conversion, the share certificates relating to the C Shares of the relevant tranche shall be cancelled and the Company shall issue to each former C shareholder of the relevant tranche new certificates in respect of the 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.
- 4.21.8.6 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.

## **5. CITY CODE ON TAKEOVERS AND MERGERS**

### **5.1 Mandatory bid**

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

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

## **5.2 Compulsory acquisition**

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

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

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

## **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 1 of this document. In order to comply with the current Listing Rules:

- (i) the Company will not conduct any trading activity which is significant in the context of its group as a whole; and
- (ii) the Company will not invest more than 10 per cent. of its Gross Assets in other listed closed-ended investment funds, whether managed by the Manager or not, except that this restriction shall not apply to investments in listed closed-ended investment funds which themselves have stated investment policies to invest no more than 15 per cent. of their gross assets in other listed closed-ended investment funds.

In the event of a breach of the investment policy set out in Part 1 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 intends to conduct its affairs so as to qualify as an investment trust for the purposes of section 1158 of the CTA 2010, and its investment activities will therefore be subject to the restrictions set out under paragraph 6 of this Part 7 above.

## **7. MATERIAL CONTRACTS OF THE COMPANY**

The following are all of the contracts, not being contracts entered into in the ordinary course of business that have been entered into by the Company since its incorporation (and in the case of the Custody Agreement will be entered into on or around Admission) and are, or may be, material or contain any provision under which the Company has any obligation or entitlement which is or may be material to it as at the date of this document:

### **7.1 Placing and Offer Agreement**

The Placing and Offer Agreement dated 29 January 2015 between the Company, the Manager, the Directors and Investec, pursuant to which, subject to certain conditions, Investec has agreed to use reasonable endeavours to procure subscribers for Shares pursuant to the Placing at the Issue Price.

The Placing and Offer Agreement may be terminated by Investec in certain customary circumstances prior to Admission. The Company has appointed Investec as sole sponsor and placing agent to the Company in connection with the Issue.

The obligation of the Company to issue the Shares and the obligation of Investec to use its reasonable endeavours to procure subscribers for Shares pursuant to the Placing is conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) Admission occurring and becoming effective by 8.00 a.m. on or prior to 17 February 2015 (or such later time and/or date, not being later than 17 March 2015, as the Company and Investec may agree); (ii) the Minimum Proceeds being raised; and (iii) the Placing and Offer Agreement not having been terminated in accordance with its terms.

In consideration for its services in relation to the Issue and conditional upon completion of the Issue, Investec will be paid a commission based on the amount of the Initial Gross Proceeds.

The Company and the Manager have given warranties to Investec concerning, *inter alia*, the accuracy of the information contained in this document. The Company and the Manager have also given indemnities to Investec. The warranties and indemnities given by the Company and the Manager are standard for an agreement of this nature.

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

## 7.2 **Management Agreement**

The Management Agreement dated 29 January 2015 between the Company and the Manager under which the Manager is appointed to act as manager of the Company with the responsibility to manage the assets of the Company and to advise the Company on a day-to-day basis in accordance with the investment policy of the Company and subject to the overall control and supervision of the Board.

Under the terms of the Management Agreement, the Manager has discretion to buy, sell, retain, exchange or otherwise deal in investments or other assets for the account of the Company and shall be responsible for the portfolio management and risk management of the Company's portfolio.

The Manager is entitled to receive from the Company in respect of its services provided under the Management Agreement, a management fee which shall accrue daily at the rate of one 356th (adjusted, where necessary, to take account of leap years) of one per cent. of Market Capitalisation payable monthly in arrears together with reimbursement of reasonable expenses properly incurred by it in the performance of its duties.

The Management Agreement may be terminated by the Company or the Manager giving the other party at least 24 months' notice in writing, such notice not to be given earlier than the fourth anniversary of Admission. The Management Agreement may be terminated earlier by either party with immediate effect on the occurrence of certain events, including:

- (i) where the other party commits any material breach of any of the terms of the Management Agreement and either such breach is incapable of remedy or the other party fails to remedy such breach within 30 days of being requested in writing by the innocent party to do so;
- (ii) where the other party goes into liquidation (apart from voluntary liquidation for the purposes of reconstruction or amalgamation on the terms previously agreed by the first party (such agreement not to be unreasonably withheld or delayed)) or if a receiver is appointed over the whole or any of the other party's assets or if any analogous event occurs; or
- (iii) such termination is required by any competent governmental or regulatory authority.

The Management Agreement contains provisions dealing with conflicts of interest.

The Company has given certain market standard indemnities in favour of the Manager in respect of the Manager's potential loss in carrying on its responsibilities under the Management Agreement.

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

### 7.3 Administration Agreement

The Administration Agreement dated 29 January 2015 between the Company, the Manager and the Administrator whereby the Administrator is appointed to act as administrator of the Company.

The Administrator shall be entitled to receive an annual fee calculated by reference to the Company's Net Asset Value as follows, an amount equal to the aggregate of: (i) 4.00 basis points of the Net Asset Value of the Company up to £100 million; (ii) 3.00 basis points of the Net Asset Value of the Company between £100 million and £500 million; and (iii) 2.00 basis points of the Net Asset Value of the Company in excess of £500 million. A minimum fee of £25,000 per annum shall apply following the Company's first financial year. The Administrator shall also be entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred on behalf of the Company.

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

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

### 7.4 Depositary Agreement

The Depositary Agreement dated 29 January 2015 between the Company and the Depositary pursuant to which the Company has appointed the Depositary to provide depositary services to the Company, including setting up and maintaining securities records and cash accounts, keeping safe custody of the Company's investments, processing corporate actions and shareholder votes and collecting and processing the Company's income.

Under the terms of the Depositary Agreement, the Depositary is entitled to a fee of 2 basis points per annum of the Net Asset Value. The Depositary is entitled to reimbursement of all reasonable out-of-pocket expenses incurred in connection with its duties.

The Depositary Agreement shall continue for an initial period of 6 months and thereafter is terminable by either the Company or the Depositary giving to the other not less than 90 days' written notice. The Depositary Agreement may be terminated with immediate effect by either the Company or the Depositary on the occurrence of certain events, including: (i) if the other party has committed a material breach or is in persistent breach of the terms of the Depositary Agreement; or (ii) in the case of insolvency of a party.

The Company has given certain market standard indemnities in favour of the Depositary in respect of the Depositary's potential losses in carrying on its responsibilities under the Depositary Agreement.

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

### 7.5 Custody Agreement

The amended and restated master custodian agreement dated 2 July 2001, to which the Company will accede under an amended schedule to be dated on or around Admission, pursuant to which the Custodian will agree to act as custodian to each of the Company's separate portfolios of securities and other assets (each a "**Portfolio**" and together, the "**Portfolios**").

Under the Custody Agreement the Company will agree to deliver to the Custodian for safekeeping all securities and cash of its Portfolios including all payments of income, principal, interest and/or capital distributions received by it with respect to all the securities owned by the Portfolios from time to time and the cash consideration received for any new or treasury shares of the Company representing interests in its Portfolios as may be issued or sold from time to time.

The Custodian will have certain duties to the Company in relation to the assets of the Portfolios held within the United States including holding securities for the account of each Portfolio, releasing securities owned by a Portfolio upon a sale, surrender or other similar offer of such securities and receiving payments if applicable, procuring the registration of securities held by the Custodian in the name of each Portfolio, maintaining a bank account for each Portfolio, collecting income from the securities held by each Portfolio, paying out monies on behalf of a Portfolio in certain instances, dealing with redemptions or repurchases of securities and generally facilitating shareholder rights.



The Custodian will be entitled to an asset based safe keeping fee that varies with the location of the assets (being 0.50 basis points per annum in respect of the assets of the Company located in the U.S.) billed and payable monthly and a transaction charge for transaction settlement.

The Custodian will also have similar duties with respect to the investments of any Portfolio held outside the United States as well as holding certain delegated responsibilities as foreign custody manager including placing the foreign investments in the care of a designated foreign custodian and monitoring and maintaining this foreign custody arrangement.

Under the terms of the Custody Agreement, the Custodian will be entitled to reasonable compensation for its services and expenses as Custodian as agreed from time to time with the Company, on behalf of each applicable Portfolio, and the Custodian.

The Custody Agreement will be terminable by either the Company or the Custodian giving to the other not less than 60 days' prior written notice provided that the Company will not terminate the Custody Agreement in contravention of any applicable federal or state regulations. The Company will be able to terminate the Custody Agreement immediately in the event of the appointment of a conservator or receiver for the Custodian. Upon termination of the Custody Agreement, the Company, on behalf of the Portfolio will pay to the Custodian such compensation as may be due as of the date of such termination and reimburse the Custodian for its costs and expenses.

The Company will give certain indemnities in favour of the Custodian in respect of the Custodian's potential losses in carrying on its responsibilities under the Custody Agreement.

The Custody Agreement is governed by the law of the Commonwealth of Massachusetts.

#### **7.6 Company Secretarial Agreement**

The Company Secretarial Agreement dated 29 January 2015 between the Company and the Company Secretary whereby the Company Secretary is appointed to act as company secretary of the Company.

The Company Secretary shall be entitled to receive an annual fee of £43,000 (plus VAT). The Company Secretary shall also be entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred and documented on behalf of the Company.

The Company Secretarial Agreement may be terminated by either party on 90 days' notice and may be immediately terminated by the Company in certain circumstances such as a persistent or material breach which is not remedied. The Company Secretarial Agreement contains customary indemnities given by the Company in favour of the Company Secretary.

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

#### **7.7 Registrar's Agreement**

The Registrar's Agreement dated 29 January 2015 between the Company and the Registrar pursuant to which the Registrar has agreed to act as registrar to the Company.

Under the agreement, the Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed (exclusive of any VAT). The Registrar is also entitled to reimbursement of all out of pocket costs, expenses and charges properly incurred on behalf of the Company.

The Registrar's Agreement may be terminated on 6 months' notice by either party, such notice not to expire prior to the end of the first year of appointment and is also terminable on shorter notice in the event of breach of the agreement or insolvency.

The Company has given certain market standard indemnities in favour of the Registrar in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement. The Registrar's liabilities under the Registrar Agreement are subject to a cap.

The Registrar's Agreement is governed by the laws of England and Wales.

## 7.8 **Receiving Agent Agreement**

The Receiving Agent Agreement dated 29 January 2015 between the Company and the Receiving Agent pursuant to which the Receiving Agent has agreed to act as receiving agent in connection with the Offer for Subscription. Under the terms of the agreement, the Receiving Agent is entitled to a fee at an hourly rate, plus a processing fee per application. The Receiving Agent will also be entitled to reimbursement of all out of pocket expenses reasonably incurred by it in connection with its duties.

The Company has given certain market standard indemnities in favour of the Receiving Agent in respect of the Receiving Agent's potential losses in carrying on its responsibilities under the Receiving Agent Agreement. The Receiving Agent's liabilities under the Receiving Agent Agreement are subject to a financial cap.

The agreement is governed by the laws of England and Wales.

## 7.9 **Broker Agreement**

The Broker Agreement dated 29 January 2015 between the Company and Investec pursuant to which Investec will act as corporate broker to the Company. As part of the engagement, Investec has agreed, amongst other things, to advise on and co-ordinate an investor liaison programme for the Company, and to monitor and report to the Board where appropriate on the trading of the Shares and significant movements in its share price.

Investec shall be entitled to a fee of £50,000 per annum payable semi-annually in advance. All fees and other expenses are exclusive of VAT, if any.

The Broker Agreement may be terminated by either party on 1 month's notice.

The Company has agreed to provide a customary indemnity to Investec against all losses which Investec may suffer or incur by reason of or arising out of or in connection with its engagement under the Broker Agreement.

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

## 7.10 **Licence Agreement**

The Licence Agreement dated 29 January 2015 between the Company and the Manager (the "**Licensor**"), pursuant to which the Licensor has agreed to grant to the Company a royalty-free, non-exclusive worldwide licence for the use of the "Gabelli" name for the purposes of the Company's business. Under the terms of the Licence Agreement, the agreement may be terminated by the Licensor: (i) if the Management Agreement or any other similar agreement between the Company and the Manager (or either of their respective affiliates) is terminated for any reason whatsoever or expires; or (ii) if the Company suffers an insolvency event or breaches any court order relating to the Licence Agreement. If the Licence Agreement is terminated, the Company shall have 14 days, following such termination in order to pass a Board resolution in accordance with the Articles to change the Company's name and those of its subsidiaries (if relevant).

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

## 7.11 **GAMCO Subscription Agreement**

The GAMCO Subscription Agreement dated 29 January 2015 between the Company and GAMCO Investors, Inc. pursuant to the terms of which GAMCO Investors, Inc. has agreed that it (or an affiliated entity nominated by it) shall subscribe for such number of Shares as will equal 10 per cent. of the total number of Shares to be allotted pursuant to the Placing and the Offer for Subscription. The obligations of the Company to issue the Shares pursuant to the GAMCO Subscription Agreement is conditional upon: (i) Admission occurring and becoming effective by 8.00 a.m. on or prior to 17 February 2015 (or such later time and/or date, not being later than 17 March 2015 as the Company and Investec may agree); and (ii) the concurrent closing of the Placing and the Offer for Subscription.

The GAMCO Subscription 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, nor of any such proceedings having been pending or threatened at any time 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. WORKING CAPITAL**

The Company is of the opinion that, on the basis that the Minimum Proceeds are raised, the working capital available to it is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.

If the Minimum Proceeds are not raised, the Issue will not proceed and application monies received under the Issue will be returned to applicants without interest at the applicants' risk.

## **10. NO SIGNIFICANT CHANGE**

There has been no significant change in the financial or trading position of the Company since the date of its incorporation.

## **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 has not entered into any mortgage, charge or security interest, and the Company's issued share capital consists of 50,000 Management Shares of £1.00 each, all fully paid up and one Share of £0.01.

## **12. GENERAL**

- 12.1 No Director has any interest in the promotion of, or in any property acquired or proposed to be acquired by, the Company.
- 12.2 The Shares being issued in connection with the Issue are being issued at £1.00 per Share of which £0.99 per Share constitutes share premium.
- 12.3 No application is being made for the Shares to be dealt with in or on any stock exchange or investment exchange other than the main market for listed securities of the London Stock Exchange.
- 12.4 Investec is acting as sponsor to the Issue. Investec 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 it appears.
- 12.5 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.
- 12.6 Where third party information has been referenced in this document, the source of that third party information has been disclosed. All information in this document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 12.7 Gabelli Funds, LLC was incorporated as a limited liability corporation in the State of New York on 9 February 1999 under the New York Limited Liability Company Law. The registered office of the Manager is at One Corporate Center, Rye, New York, NY10580 (tel:+1 914 921 5000). The Manager is registered with the U.S. Securities and Exchange Commission as investment adviser under the U.S. Investment Advisers Act of 1940. Gabelli Funds, LLC and its affiliates are highly regulated in the UK, the U.S. and elsewhere. From time to time, the Manager and its affiliates are the subject of regulatory action, enquiry and examination. The Manager's portfolio managers, including Mario Gabelli and Marc Gabelli, have been named in connection with certain matters all of which have been resolved. As at the date of this document, there are no pending or threatened matters against the Manager or any of its employees.

- 12.8 State Street Trustees Limited is a limited company incorporated on 24 October 1994 in England and Wales with registration number 02982384 under the Companies Act 1985. The registered office of is at 20 Churchill Place, Canary Wharf, London E14 5HJ (tel: 0131 315 2000).
- 12.9 State Street Bank and Trust Company is chartered as a trust company in the Commonwealth of Massachusetts, USA and registered at the Secretary of State's Office of the Commonwealth of Massachusetts with registration number 000113132. It has a branch registered in England and Wales with registration number BR0002088 (tel: 0131 315 2000).
- 12.10 The auditors of the Company are PricewaterhouseCoopers LLP of 1 Embankment Place, London WC2N 6RH and have been the only auditors of the Company since its incorporation. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants in England and Wales.
- 12.11 The Company does not own or lease any premises.

### **13. AVAILABILITY OF THIS DOCUMENT**

Copies of this document are available, for inspection only from the date of this document from the National Storage Mechanism ([www.hemscott.com/nsm.do](http://www.hemscott.com/nsm.do)) and may be obtained from the date of this document until Admission from the offices of Investec Bank plc, 2 Gresham Street, London EC2V 7QP.

### **14. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until Admission:

- 14.1 the Memorandum and Articles of the Company; and
- 14.2 this document.

Dated: 29 January 2015

## PART 8

### ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE

#### Article 23 Disclosures

#### Gabelli Value Plus+ Trust Plc

#### (the “Company”)

This document contains the information required to be made available to investors in the Company before they invest, pursuant to Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers (the “**AIFM Directive**”) and UK implementing measures (the Alternative Investment Fund Managers Regulations No.1773/2013, and consequential amendments to the FCA Handbook).

The table below sets out information required to be disclosed pursuant to the AIFM Directive and related national implementing measures.

This document contains solely that information that Gabelli Funds, LLC (as the Alternative Investment Fund Manager of the Company) (the “**AIFM**”) is required to make available to investors pursuant to the AIFM Directive and should not be relied upon as the basis for any investment decision.

Disclosure Requirement	Disclosure or Location of Relevant Disclosure
(a) a description of investment strategy and objectives of the Company;	<p><b>Investment objective</b></p> <p>The Company’s investment objective is to seek capital objectives appreciation by investing predominantly in equity securities of U.S. Companies.</p> <p><b>Investment policy</b></p> <p>The Company will seek to meet its investment objective by investing predominantly in equity securities of U.S. Companies, of any market capitalisation.</p> <p>In selecting such securities the Manager will utilise its proprietary Private Market Value (“<b>PMV</b>”) with a Catalyst™ methodology. PMV is the value that the Manager believes an informed industrial buyer would be willing to pay to acquire an entire company. The Manager arrives at a PMV valuation by a rigorous assessment of fundamentals (focusing on the balance sheet, earnings and free cash flow) from publicly available information and judgment gained from its comprehensive, accumulated knowledge of a variety of sectors.</p> <p>The Manager’s fundamental research seeks to identify investments typically featuring, but not limited to, differentiated franchise businesses with organic cash flow, balance sheet opportunities and operational flexibility. The Manager will seek to identify businesses whose securities trade in the public markets at a significant discount to their PMV estimate which the Manager refers to as a “Margin of Safety”.</p> <p>Having identified such securities, the Manager will seek to identify one of more “catalysts” that will help to narrow or eliminate the Margin of Safety. Catalysts can come in many forms including, but not limited to, corporate restructurings (such as demergers and asset sales), operational improvements,</p>

	<p>regulatory or managerial changes, special situations (such as liquidations) and mergers and acquisitions.</p> <p>The Manager seeks value creation through its process of bottom-up stock selection and its implementation of a disciplined portfolio construction process.</p> <p>Once fully invested, the Company anticipates having a portfolio consisting typically of between 40 to 60 holdings. It is anticipated that these holdings will represent the majority of the portfolio. The Company may have more or fewer holdings from time to time depending upon the nature of the portfolio and market conditions.</p> <p>In addition to equity securities of U.S. Companies, the Company may (subject to the investment restrictions set out below) also invest in other securities from time to time including non-U.S. securities, convertible securities, fixed interest securities, preferred stock, non-convertible preferred stock, depositary receipts, warrants and other rights. Subject to the investment restrictions set out below, there is no limitation on the number of investments which may be exposed to any one type of catalyst event, including demergers, restructurings or announced mergers and acquisitions.</p> <p>The Company may invest through derivatives for efficient portfolio management and for investment purposes. Any use of derivatives for efficient portfolio management and for investment purposes will be subject to the investment restrictions set out below.</p>
(b) if the Company is a feeder fund, information on where the master fund is established;	N/a
(c) if the Company is a fund of funds, information on where the underlying funds are established;	N/a
(d) a description of the types of assets in which the Company may invest;	Please refer to the investment policy set out in section (a) above.
(e) the investment techniques that the Company, or the AIFM on behalf of the Company, may employ and all associated risks;	<p>Please refer to the investment policy set out in section (a) above.</p> <p>The associated risks are:</p> <p><b>The Company may not meet its investment objective</b></p> <p>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.</p> <p>The Company's investment objective is to generate an attractive total return with a low correlation to the broad market. The Company's share price will fluctuate with changes in the market value of the Company's portfolio securities. Shares are subject to market, economic, and business risks that may cause their</p>



prices to fluctuate. The Company is subject to the risk that the portfolio securities' PMVs may never be realised by the market, or that the portfolio securities' prices decline. The Company is also subject to the risk that the Manager's assessment of the values of the securities the Company holds may be incorrect, which may result in a decline in the value of Company shares.

**The Company's investment policy may involve the use of derivatives**

The Company's investment strategy may involve the use of derivatives (including contracts for difference) and/or structured financial instruments. If the Company invests in derivatives and/or structured financial instruments for investment purposes and/or for efficient portfolio management purposes, the total notional value of derivatives and/or structured financial instruments, at the time of investment, will not exceed, in aggregate, 10 per cent. of its Gross Assets.

The Company may utilise both exchange-traded and over-the-counter derivatives (including contracts for difference) as part of its investment policy. The costs of investing through derivatives may be higher than investing in securities (whether directly or through nominees) as the Company will have to bear the additional costs of purchasing and holding such derivatives and this could have a material adverse effect on the Company's returns. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage.

As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in Net Asset Value, incorrect collateral calls or delays in collateral being posted.

**The Company's investment policy may involve short selling**

The Company may engage in short selling up to a limit of 10 per cent. of its Gross Assets. Short selling involves selling securities which are not owned by the Company and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in the value of securities. A short sale creates the risk of significant losses for the Company because the price of the underlying security could increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the security necessary to cover a short position will be available for purchase. Purchasing securities to close out a short

	<p>position can itself cause the price of the relevant securities to rise further, thereby exacerbating the loss. Such losses could have a material adverse effect on the Company's performance and returns to holders of Shares.</p> <p>There is also the risk that the securities borrowed in connection with a short sale must be returned to the lender of such securities on short notice. If a request for the return of borrowed securities occurs at a time when other short sellers of the securities are receiving similar requests, it may be necessary to replace borrowed securities previously sold short with securities purchased on the open market, possibly at prices significantly in excess of the proceeds received from originally selling the securities short.</p> <p>Any losses arising as a result of the Company engaging in short selling could result in an investor not getting back the amount originally invested. The Company can offer no assurance that investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.</p>
(f) any applicable investment restrictions;	<p><b>Investment restrictions</b></p> <p><i>General</i></p> <p>Portfolio risk will be mitigated by investing in a diversified spread of investments. In particular, the Company will observe the following investment restrictions:</p> <ul style="list-style-type: none"> <li>• no single investment shall, at the time of investment, account for more than 10 per cent. of the Gross Assets;</li> <li>• no more than 15 per cent. of the Gross Assets, at the time of investment, shall be invested in securities issued by companies other than U.S. Companies; and</li> <li>• no more than 25 per cent. of the Gross Assets, at the time of investment, shall be exposed to any one industry (as defined by the MSCI industry groups according to the GICS (global industry classification standards) categorisation).</li> </ul> <p>When the Manager determines that adverse market conditions exist, the Manager may adopt a temporary defensive position and invest some or all of the Company's portfolio in:</p> <ul style="list-style-type: none"> <li>• cash or cash equivalents, 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 an internationally recognised rating agency; or</li> <li>• any "government and public securities" as defined for the purposes of the FCA Handbook.</li> </ul> <p>In addition, uninvested cash or surplus capital or assets may be invested on a temporary basis in such assets.</p> <p><i>Derivatives and short selling</i></p> <p>If the Company invests in derivatives and/or structured financial instruments for investment purposes and/or for efficient portfolio management purposes, the total notional value of derivatives and/or structured financial instruments at the time of investment will not exceed, in aggregate, 10 per cent. of its Gross Assets. The Company may take both long and short positions. The</p>

	<p>Company may short up to a limit of 10 per cent. of its Gross Assets. For shorting purposes, the Company may use indices or individual stocks.</p> <p>When investing via derivatives and/or structured financial instruments (whether for investment purposes and/or for efficient portfolio management purposes), the Company will seek to mitigate and/or spread its counterparty risk exposure by collateralisation and/or contracting with a potential range of counterparty banks, as appropriate, each of whom shall, at the time of entering into such derivatives and/or structured financial instruments, have a single-A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency.</p> <p>The Company will at all times invest and manage its assets in a way that is consistent with its objective of spreading investment risk and in accordance with its published investment policy and will not, at any time, conduct any trading activity which is significant in the context of the business of the Company as a whole.</p> <p>In the event of a breach of the investment policy and investment restrictions set out above, the AIFM upon becoming aware of such breach will notify the Board who will consider whether the breach is material, and if it is, notification will be made through a Regulatory Information Service.</p>
<p>(g) the circumstances in which the Company may use leverage;</p> <p>(h) the types and sources of leverage permitted and the associated risks;</p> <p>(i) the maximum level of leverage which the AIFM is entitled to employ on behalf the of Company;</p>	<p>The Company may borrow up to 15 per cent. of Net Asset Value (calculated at the time of draw down). Borrowings may be used for investment purposes.</p> <p>The associated risks are:</p> <p><b><i>The Company's investment policy may involve the use of leverage, which exposes the Company to risks associated with borrowings</i></b></p> <p>The Company may use borrowings to seek to enhance investment returns. While the use of borrowings should enhance the total return on the Shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's underlying assets is falling or rising at a lower rate than the cost of borrowing, reducing the total return on the Shares. As a result, the use of borrowings by the Company may increase the volatility of the Net Asset Value per Share. In accordance with its borrowing and gearing policy, the Company may borrow up to 15 per cent. of its Net Asset Value (calculated at the time of draw down).</p> <p>Any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its Net Asset Value (which is likely to adversely affect the price of a Share). Any reduction in the number of Shares in issue (for example, as a result of buy-backs or tender offers) will, in the absence of a corresponding reduction in borrowings, result in an increase in the Company's level of gearing.</p> <p>To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy or borrowing limits, the Company may</p>

	<p>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.</p> <p>The Company will pay interest on its borrowings. As such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates.</p> <p>There is no guarantee that any borrowings of the Company will be refinanced on their maturity either on terms that are acceptable to the Company or at all.</p>
(j) any collateral and asset reuse arrangements;	<p>The Company may be required to deliver collateral from time to time to its trading counterparties and/or brokers under the terms of the relevant trading agreements (including, but not limited to, ISDA master agreement, related credit support documentation and/or securities lending, repurchase, master forward, foreign exchange and/or futures clearing agreements), by posting initial margin and/or variation margin and on a daily mark-to-market basis. The Company may deliver such collateral by way of title transfer or by way of security interest (and, in certain circumstances, may grant a right of re-use in respect of any such collateral that is the subject of a security interest arrangement) to a trading counterparty or broker. The treatment of such collateral varies according to the type of transaction and where it is traded.</p>
(2) a description of the procedures by which the Company may change its investment strategy or investment policy, or both;	<p>No material change will be made to the investment policy and investment restrictions without the approval of Shareholders by ordinary resolution. Any change to the investment policy or investment restrictions which does not amount to a material change to the investment policy may be made by the Company without the approval of Shareholders.</p>
(3) a description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, the applicable law and the existence or absence of any legal instruments providing for the recognition and enforcement of judgments in the territory where the Company is established;	<p>The Company is a company limited by shares, incorporated in England and Wales. While investors acquire an interest in the Company on subscribing for or purchasing shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, Shareholders have no direct legal or beneficial interest in those investments. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the shares held by them.</p> <p>Shareholders' rights in respect of their investment in the Company are governed by the Company's articles of association and the Companies Act 2006 (the "<b>Companies Act</b>"). Under English law, the following types of claim may in certain circumstances be brought against a company by its shareholders: contractual claims under its articles of association; claims in misrepresentation in respect of statements made in its prospectus and other marketing documents; unfair prejudice claims; and derivative actions. In the event that a shareholder considers that it may have a claim against the Company in connection with such investment in the Company, such Shareholder should consult its own legal advisers.</p> <p><b>Jurisdiction and applicable law</b></p> <p>As noted above, Shareholders' rights are governed principally by the articles of association and the Companies Act. By</p>

	<p>subscribing for shares, investors agree to be bound by the articles of association which is governed by, and construed in accordance with, the laws of England and Wales.</p> <p><b>Recognition and enforcement of foreign judgments</b></p> <p>Regulation (EC) 593/2008 ("<b>Rome I</b>") must be applied in all member states of the European Union (other than Denmark). Accordingly, where a matter comes before the courts of a relevant member state, the choice of a governing law in any given agreement is subject to the provisions of Rome I. Under Rome I, the member state's court may apply any rule of that member state's own law which is mandatory irrespective of the governing law and may refuse to apply a rule of governing law if it is manifestly incompatible with the public policy of that member state. Further, where all other elements relevant to the situation at the time of the choice are located in a country other than the country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that other country which cannot be derogated from by agreement.</p> <p>Shareholders should note that there are a number of legal instruments providing for the recognition and enforcement of foreign judgments in England. Depending on the nature and jurisdiction of the original judgment, Council Regulation (EC) No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, Regulation (EC) No 805/2004 of the European Parliament and of the Council of 21 April 2004 creating a European Enforcement Order for uncontested claims, the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters done at Lugano on 30 October 2007, the Administration of Justice Act 1920 and the Foreign Judgment (Reciprocal Enforcement) Act 1933 may apply. There are no legal instruments providing for the recognition and enforcement of judgments obtained in jurisdictions outside those covered by the instruments listed above, although such judgments might be enforceable at common law.</p>
<p>(4) the identity of the AIFM, the Company's depositary, the auditor and any other service providers and a description of their duties and the investors' rights;</p>	<p><b>AIFM</b></p> <p>The Company has entered into the Management Agreement with Gabelli Funds, LLC under which the Manager will be responsible for the day-to-day management of the Company's investment portfolio on a discretionary basis in accordance with the Company's investment objective and policy, subject to the overall supervision of the Directors.</p> <p>Under the terms of the Management Agreement, the Manager has discretion to buy, sell, retain, exchange or otherwise deal in investments or other assets for the account of the Company and shall be responsible for the portfolio management and risk management of the Company's portfolio.</p> <p><b>Administrator</b></p> <p>State Street Bank and Trust Company has been appointed as administrator to the Company under the terms of the Administration Agreement. Under the terms of the Administration Agreement, the Administrator, will be responsible for the maintenance of the books and financial accounts of the</p>

	<p>Company and the calculation of the Net Asset Value of the Company and the Shares.</p> <p><b>Depository and Custodian</b></p> <p>State Street Trustees Limited has been appointed as the Company's depository pursuant to the Depository Agreement to provide depository services to the Company, including setting up and maintaining securities records and cash accounts, keeping safe custody of the Company's investments, processing corporate actions and shareholder votes and collecting and processing the Company's income.</p> <p>The Depository has delegated the custody and safe keeping services to its affiliate State Street Bank and Trust Company.</p> <p><b>Company Secretary</b></p> <p>TMF Corporate Secretarial Services Ltd will provide company secretarial services to the Company pursuant to the Company Secretarial Agreement. The Company Secretary will be responsible for project management of the production of the Company's annual report and accounts, regulatory compliance and providing support to the Board's corporate governance process and its continuing obligations under the Listing Rules and the Disclosure and Transparency Rules. In addition, the Company Secretary will be responsible for liaising with the Company, the Manager, the Registrar and the Administrator in relation to the payment of any dividends, as well as general secretarial functions required by the Act (including but not limited to the maintenance of the Company's statutory books).</p> <p><b>Registrar</b></p> <p>The Company will utilise the services of Computershare Investor Services PLC as registrar in relation to the transfer and settlement of Shares held in uncertificated form.</p> <p><b>Auditor</b></p> <p>PricewaterhouseCoopers LLP will provide audit services to the Company. The annual report and accounts will be prepared according to accounting standards laid out under UK GAAP.</p> <p>Investors should note that the Manager is not required to ensure that the Company has appointed a "depository" for the purposes of the AIFM Directive. The Manager and the Company have, however, voluntarily appointed the Depository to provide depository services in accordance with the AIFM Directive.</p> <p><b>Investors' Rights</b></p> <p>The Company is reliant on the performance of third party service providers, including the administrator, the custodian, the company secretary, the auditors and the registrar.</p> <p>Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in shares is with the Company only. Accordingly, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default.</p> <p>In the event that a Shareholder considers that it may have a claim against a third party service provider in connection with such</p>
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	<p>Shareholder's investment in the Company, such Shareholder should consult its own legal advisers.</p> <p>The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 138D of the Financial Services and Markets Act 2000 (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 138D of the Financial Services and Markets Act 2000, or in tort, against any service provider in connection with their investment in the Company, should consult their legal adviser.</p>
(5) a description of how the AIFM complies with the requirements of Article 9(7) of the AIFM Directive;	Investors should note that the AIFM is not required to cover potential professional liability risks in accordance with AIFM Directive. However, the AIFM has agreed, pursuant to the Management Agreement, to maintain from Admission until the sixth anniversary of the date of termination of the Management Agreement, professional indemnity cover of not less than U.S.\$40 million.
(6) a description of:	The AIFM has not delegated any significant function and is responsible for the discretionary portfolio management and exercising the risk management function in respect of the Company.
(a) any management function delegated by the AIFM;	
(b) any safe-keeping function delegated by the depositary;	The Depositary has delegated safe keeping functions to its affiliate State Street Bank and Trust Company.
(c) any conflicts of interest that may arise from such delegations;	None
(7) a description of the Company's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing any hard-to-value assets, in accordance with Article 19 of the AIFM Directive;	<p>The Companies valuation policy is that investments have been designated upon initial recognition as fair value through profit or loss. Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned, and are initially measured as fair value.</p> <p>Subsequent to initial recognition, investments are valued at fair value. For listed investments, this is deemed to be bid market price as at the close of business on the relevant date.</p> <p>Investments which are not quoted or which are not frequently traded are stated at Directors' best estimate of fair value. In arriving at their estimate, the Directors make use of recognised valuation techniques and may take account of recent arm's length transactions in the same or similar investment instruments. Where no reliable fair value can be estimated, investments are carried at cost or less any provision for impairment.</p> <p>Gains and losses arising from changes in fair value are included in net profit or loss for the year as a capital item in the income statement and are ultimately recognised in the capital reserve.</p>

<p>(8) a description of the Company's liquidity risk management, including the redemption rights of investors in normal and exceptional circumstances, and the existing redemption arrangements with investors;</p>	<p>The Company is a closed-end listed investment company and, as such, Shareholders in the Company have no right to redeem their shares.</p> <p>Liquidity risk is therefore the risk that a position held by the Company cannot be realised at a reasonable value sufficiently quickly to meet the obligations (primarily, debt) of the Company as they fall due.</p> <p>In managing the Company's assets therefore the AIFM seeks to ensure that the Company holds at all times a sufficient portfolio of assets listed on recognised investment exchanges to enable it to discharge its payment obligations. The Company will also maintain an uncommitted overdraft facility which it will utilise from time to time for short term liquidity purposes.</p>
<p>(9) a description of all fees, charges and expenses, and the maximum amounts directly or indirectly borne by investors;</p>	<p>The annual running costs of the Company are estimated to be in the region of £3.3 million per annum excluding any non-recurring or extraordinary expenses.</p> <p>Given that many of the fees are irregular in their nature, the maximum amount of fees, charges and expenses that Shareholders will bear in relation to their investment cannot be disclosed in advance.</p>
<p>(10) a description of how the Company ensures a fair treatment of investors;</p>	<p>As a company listed on the premium listing segment of the UK Listing Authority's Official List, the Company is required under the Premium Listing Principles to treat all Shareholders of a given class equally.</p>
<p>(11) whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of:</p>	<p>N/a</p>
<p>(a) that preferential treatment;</p>	<p>N/a</p>
<p>(b) the type of investors who obtain such preferential treatment; and</p>	<p>N/a</p>
<p>(c) where relevant, their legal or economic links with the Company;</p>	<p>N/a</p>
<p>(12) the procedure and conditions for the issue and sale of units or shares;</p>	<p>The Company's shares are admitted to trading on the London Stock Exchange's Main Market for listed securities (the "<b>Main Market</b>"). Accordingly, the Company's shares may be purchased and sold on the Main Market.</p> <p>New shares may be issued at the Board's discretion and providing relevant shareholder issuance authorities are in place. Shareholders do not have the right to redeem their shares. While the Company will typically have Shareholder authority to buy back shares any such buy back is at the absolute discretion of the Board and no expectation or reliance should be placed on the Board exercising such discretion.</p>

(13) the latest net asset value of the Company or the latest market price of the unit or share of the Company, in accordance with Article 19 of the AIFM Directive;	<p>The Company has not yet published a Net Asset Value in accordance with Article 19 of the AIFM Directive.</p> <p>When published, Net Asset Value announcements can be found on the Company's website:</p> <p><a href="http://www.gabelli.co.uk/investment_trusts/valueplus">www.gabelli.co.uk/investment_trusts/valueplus</a></p>
(14) the latest annual report, in line with Article 22 of the AIFM Directive;	<p>The Company has not yet published an annual report in line with Article 22 of the AIFM Directive.</p> <p>When published, annual reports can be found on the Company's website: <a href="http://www.gabelli.co.uk/investment_trusts/valueplus">www.gabelli.co.uk/investment_trusts/valueplus</a></p>
(15) where available, the historical performance of the Company;	<p>The Company has not yet published any annual or interim financial statements.</p> <p>When published, annual and interim financial statements can be found on the Company's website:</p> <p><a href="http://www.gabelli.co.uk/investment_trusts/valueplus">www.gabelli.co.uk/investment_trusts/valueplus</a></p>
(16)	N/a
(a) the identity of the prime brokerage firm;	
(b) a description of any material arrangements of the Company with its prime brokerage firm and the way any conflicts of interest are managed;	N/a
(c) the provision in the contract with the depositary on the possibility of transfer and reuse of Company assets; and	The Depositary, its affiliates or third parties to whom safekeeping duties are delegated under the Depositary Agreement may, subject to any reasonable conditions that may be agreed with the Company, or the Manager acting on behalf of the Company, reuse the assets.
(d) information about any transfer of liability to the prime brokerage firm that may exist; and	N/a
(17) a description of how and when the information required under paragraphs 4 and 5 of Article 23 of the AIFM Directive will be disclosed.	<p>In order to meet the requirements of paragraphs 4 and 5 of Article 23 of the AIFM Directive, the Company intends to disclose annually in the Company's annual report:</p> <ol style="list-style-type: none"> <li>(1) the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature if applicable;</li> <li>(2) any new arrangements for managing the liquidity of the Company; and</li> <li>(3) the current risk profile of the Company and the risk management systems employed by the AIFM to manage those risks.</li> </ol>

	<p>Information will also be provided to investors regarding any changes to:</p> <ul style="list-style-type: none"> <li>(a) the maximum level of leverage that the AIFM may employ on behalf of the Company;</li> <li>(b) any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and</li> <li>(c) the total amount of leverage employed by the Company.</li> </ul>
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## PART 9

### DEFINITIONS

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

<b>Administration Agreement</b>	the administration agreement between the Company, the Manager and the Administrator, a summary of which is set out in paragraph 7.3 of Part 7 of this document
<b>Administrator</b>	State Street Bank and Trust Company
<b>Admission</b>	admission of the Shares to the premium listing segment of the Official List of the UKLA and admission of the Shares to trading on the main market for listed securities of the London Stock Exchange
<b>AIC</b>	the Association of Investment Companies
<b>AIC Code</b>	the AIC Code of Corporate Governance published by the AIC from time-to-time
<b>AIF</b>	an alternative investment fund
<b>AIFM Directive</b>	the Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers
<b>AIFM</b>	an alternative investment fund manager
<b>Application Form</b>	the application form attached to this document for use in connection with the Offer for Subscription
<b>Articles</b>	the articles of association of the Company
<b>Audit and Management Engagement Committee</b>	the audit and management engagement committee of the Board
<b>Broker Agreement</b>	the broker agreement between the Company and Investec, a summary of which is set out in paragraph 7.9 of Part 7 of this document
<b>Business Day</b>	any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in the City of London
<b>Capital gains tax or CGT</b>	UK taxation of capital gains or corporation tax on chargeable gains, as the context may require
<b>Investec</b>	Investec Bank plc
<b>certificated or in certificated form</b>	not in uncertificated form
<b>Companies Act or Act</b>	the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force
<b>Company</b>	Gabelli Value Plus+ Trust Plc
<b>Company Secretarial Agreement</b>	the company secretarial agreement between the Company and the Company Secretary, a summary of which is set out in paragraph 7.6 of Part 7 of this document
<b>Company Secretary</b>	TMF Corporate Secretarial Services Ltd
<b>CREST</b>	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
<b>C Shares</b>	C shares of £0.10 each in the capital of the Company
<b>CTA 2009</b>	Corporation Tax Act 2009 and any statutory modification or re-enactment thereof for the time being in force

<b>CTA 2010</b>	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force
<b>Custodian</b>	State Street Bank and Trust Company
<b>Custody Agreement</b>	the custody agreement with the Custodian to which the Company will accede as a party on or around Admission, a summary of which is set out in paragraph 7.5 of Part 7 of this document
<b>Depository</b>	State Street Trustees Limited
<b>Depository Agreement</b>	the depository agreement between the Company and the Depository, a summary of which is set out in paragraph 7.4 of Part 7 of this document
<b>Directors or Board</b>	the board of directors of the Company
<b>Disclosure and Transparency Rules</b>	the disclosure and transparency rules made by the Financial Conduct Authority under section 73A of FSMA
<b>EEA</b>	the states which comprise the European Economic Area
<b>ERISA</b>	U.S. Employee Retirement Income Security Act of 1976, as amended
<b>EU</b>	the European Union
<b>Euro or €</b>	the lawful currency of the EU
<b>Euroclear</b>	Euroclear UK & Ireland Limited, being the operator of CREST
<b>FATCA</b>	the U.S. Foreign Account Tax Compliance Act of 2010, as amended
<b>FCA</b>	the Financial Conduct Authority or any successor authority
<b>FCA Handbook</b>	the FCA handbook of rules and guidance as amended from time to time
<b>FSMA</b>	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
<b>GAMCO Subscription</b>	the private subscription for Shares by GAMCO Investors, Inc. (or an affiliated entity) pursuant to the GAMCO Subscription Agreement
<b>GAMCO Subscription Agreement</b>	the GAMCO subscription agreement between GAMCO Investors, Inc. and the Company pursuant to which GAMCO Investors, Inc. (or an affiliated entity) will subscribe for such number of Shares as will equal 10 per cent. of the total number of Shares allotted pursuant to the Placing and the Offer for Subscription, a summary of which is set out in paragraph 7.11 of Part 7 of this document
<b>Gross Assets</b>	the aggregate value of the total assets of the Company as determined in accordance with the accounting principles adopted by the Company from time-to-time
<b>HMRC</b>	Her Majesty's Revenue & Customs
<b>Initial Gross Proceeds</b>	the Gross Assets of the Company on Admission
<b>IRS</b>	U.S. Internal Revenue Service
<b>ISA</b>	UK individual savings account
<b>Issue</b>	together, the Placing, the Offer for Subscription and the GAMCO Subscription
<b>Issue Price</b>	100 pence per Share
<b>ITA</b>	the Income Tax Act 2007 and any statutory modification or re-enactment thereof for the time being in force



<b>Listing Rules</b>	the listing rules made by the FCA under section 73A of FSMA
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Management Agreement</b>	the investment management agreement between the Company and the Manager, a summary of which is set out in paragraph 7.2 of Part 7 of this document
<b>Management Shares</b>	redeemable management shares of £1.00 each in the capital of the Company
<b>Manager</b>	Gabelli Funds, LLC
<b>Market Capitalisation</b>	the sum of: <ul style="list-style-type: none"> <li>(i) the aggregate of the closing mid market prices for a Share as derived from Bloomberg on each Business Day in the relevant calendar month multiplied by the number of Shares in issue on such Business Day (excluding any Shares held by the Company in treasury on that Business Day) divided by the number of Business Days in the relevant calendar month; and</li> <li>(ii) for each tranche of C Share in issue during the relevant calendar month, the aggregate of the closing mid market prices for a C Share of the relevant tranche as derived from Bloomberg on each Business Day in the relevant calendar month the C Share of that tranche are in issue multiplied by the number of C Shares of the relevant tranche in issue on such Business Day divided by the number of Business Days the C Shares of that tranche are in issue in the relevant calendar month;</li> </ul>
<b>member account ID</b>	the identification code or number attached to any member account in CREST
<b>Minimum Proceeds</b>	the minimum gross proceeds of the Issue, being £100 million
<b>Model Code</b>	the Model Code for directors' dealings contained in the Listing Rules
<b>Net Asset Value</b>	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time-to-time
<b>Net Asset Value per Share</b>	at any time the Net Asset Value attributable to the Shares divided by the number of Shares in issue (other than Shares held in treasury) at the date of calculation
<b>Nominations Committee</b>	the nominations committee of the Board
<b>NYSE</b>	the New York Stock Exchange
<b>Offer or Offer for Subscription</b>	the offer for subscription of Shares at the Issue Price on the terms set out in this document
<b>Official List</b>	the official list maintained by the UKLA pursuant to Part VI of FSMA
<b>Overseas Persons</b>	a potential investor who is not resident in, or who is not a citizen of, the UK
<b>Placing</b>	the conditional placing of Shares by Investec at the Issue Price as described in this document
<b>Placing and Offer Agreement</b>	the conditional placing and offer agreement between the Company, the Manager, the Directors and Investec, a summary of which is set out in paragraph 7.1 of Part 7 of this document
<b>PMV</b>	Private Market Value

<b>Prospectus Directive</b>	the EU Prospectus Directive 2003/71/EC
<b>Prospectus Rules</b>	the prospectus rules made by the FCA under section 73A of FSMA
<b>Receiving Agent</b> or <b>Registrar</b>	Computershare Investor Services PLC
<b>Receiving Agent Agreement</b>	the receiving agent agreement between the Company and the Receiving Agent, a summary of which is set out in paragraph 7.8 of Part 7 of this document
<b>Register</b>	the register of members of the Company
<b>Registrar's Agreement</b>	the registrar's agreement between the Company and the Registrar, a summary of which is set out in paragraph 7.7 of Part 7 of this document
<b>Regulation S</b>	Regulation S promulgated under the U.S. Securities Act
<b>Regulatory Information Service</b>	a service authorised by the UKLA to release regulatory announcements to the London Stock Exchange
<b>Relevant Member State</b>	a member state of the European Economic Area which has implemented the Prospectus Directive
<b>Shareholder</b>	a holder of Shares
<b>Shares</b>	ordinary shares of one penny each in the capital of the Company
<b>SIPP</b>	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
<b>SSAS</b>	a small self-administered scheme as defined in Regulation 2 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991 of the UK
<b>Sterling</b> or <b>£</b>	the lawful currency of the United Kingdom
<b>UK Corporate Governance Code</b>	the UK Corporate Governance Code as published by the Financial Reporting Council from time-to-time
<b>UK GAAP</b>	Generally Accepted Accounting Practice in the UK
<b>UKLA</b> or <b>UK Listing Authority</b>	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>UK Money Laundering Regulations</b>	the UK Money Laundering Regulations 2007, as amended
<b>United Kingdom</b> or <b>UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States of America, United States</b> or <b>U.S.</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>U.S. Code</b>	U.S. Internal Revenue Code, as amended
<b>U.S. Companies</b>	for the purposes of this document, means companies with businesses which have a material portion of their value derived from the U.S., such companies may be domiciled inside or outside the U.S. and listed on a U.S. or non-U.S. stock exchange
<b>U.S. Investment Company Act</b>	U.S. Investment Company Act of 1940, as amended
<b>U.S. Person</b>	any person who is a U.S. person within the meaning of Regulation S adopted under the U.S. Securities Act
<b>U.S. Securities Act</b>	U.S. Securities Act of 1933, as amended
<b>U.S.\$</b> or <b>\$</b>	the lawful currency of the United States of America
<b>VAT</b>	value added tax.

## PART 10

### TERMS AND CONDITIONS OF THE PLACING

#### 1. INTRODUCTION

Each investor which confirms its agreement to Investec, to subscribe for Shares under the Placing (for the purposes of this Part 10, a **"Placee"**) will be bound by these terms and conditions and will be deemed to have accepted them.

Each of the Company and/or Investec, as applicable, may require a Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (for the purposes of this Part 10, a **"Placing Letter"**). The terms of this Part 10 will, where applicable, be deemed to be incorporated into that Placing Letter.

#### 2. AGREEMENT TO SUBSCRIBE FOR SHARES

Conditional on, amongst other things: (i) Admission occurring and becoming effective by 8.00 a.m. on or prior to 17 February 2015 (or such later time and/or date, not being later than 8.00 a.m. on 17 March 2015, as the Company and Investec may agree); (ii) the Placing and Offer Agreement becoming otherwise wholly unconditional in all respects and not having been terminated in accordance with its terms at any time prior to Admission; (iii) the Minimum Proceeds being raised; and (iv) Investec confirming to the Placees their allocation of Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those Shares allocated to it by Investec at the Issue Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

Multiple applications or suspected multiple applications on behalf of a single investor are liable to be rejected.

Fractions of Shares will not be issued.

#### 3. PAYMENT FOR SHARES

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

#### 4. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

4.1 By agreeing to subscribe for Shares, each Placee which enters into a commitment to subscribe for Shares (for the purposes of this Part 10, a **"Placing Commitment"**) will (for itself and for any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to acknowledge, understand, undertake, represent and warrant to each of the Company, the Manager, the Registrar and Investec, that:

4.1.1 in agreeing to subscribe for Shares under the Placing, it is relying solely on this document and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Shares or the Placing. It agrees that none of the

Company, the Manager, the Registrar or Investec, nor any of their respective officers, agents, employees or affiliates, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have against any such persons in respect of any other information or representation;

- 4.1.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Shares under the Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any such territory or jurisdiction and that it has not taken any action or omitted to take any action which will or might reasonably be expected to result in the Company, the Manager, the Registrar or Investec, or any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;
- 4.1.3 it has carefully read and understands this document (and any supplementary prospectus issued by the Company) in its entirety and acknowledges that it is acquiring Shares on the terms and subject to the conditions set out in this Part 10 and, as applicable, in the contract note or placing confirmation, as applicable, referred to in paragraph 4.1.11 of this Part 10 (for the purposes of this Part 10, the **"Contract Note"** or the **"Placing Confirmation"**) and the Placing Letter (if any) and the Articles as in force at the date of Admission;
- 4.1.4 it has not relied on Investec, or any person affiliated with Investec in connection with any investigation of the accuracy of any information contained in this document;
- 4.1.5 the content of this document is exclusively the responsibility of the Company and its Directors and neither Investec, the Manager, the Registrar, nor any person acting on their behalf nor any of their affiliates are responsible for or shall have any liability for any information, representation or statement contained in this document (and any supplementary prospectus issued by the Company) or any information previously published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Placing based on any information, representation or statement contained in this document or otherwise;
- 4.1.6 no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by Investec, the Company, the Manager or the Registrar;
- 4.1.7 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- 4.1.8 the price per Share is fixed at the Issue Price and is payable to Investec on behalf of the Company in accordance with the terms of this Part 10 and, as applicable, in the Contract Note or Placing Confirmation and the Placing Letter (if any);
- 4.1.9 it has the funds available to pay in full for the Shares for which it has agreed to subscribe pursuant to its Placing Commitment and that it will pay the total subscription in accordance with the terms set out in this Part 10 and, as applicable, as set out in the Contract Note or Placing Confirmation and the Placing Letter (if any) on the due time and date;
- 4.1.10 its commitment to acquire Shares under the Placing will be agreed orally with Investec as agent for the Company and that a Contract Note or Placing confirmation will be issued by Investec as soon as possible thereafter. That oral confirmation will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and Investec to subscribe for the number of Shares allocated to it and comprising its Placing Commitment at the Issue Price on the terms and conditions set out in this Part 10 and, as applicable, in the Contract Note or Placing Confirmation and the Placing Letter (if any) and in accordance with the

Articles in force as at the date of Admission. Except with the consent of Investec such oral commitment will not be capable of variation or revocation after the time at which it is made;

- 4.1.11 its allocation of Shares under the Placing will be evidenced by Contract Note or Placing Confirmation, as applicable, confirming: (i) the number of Shares that such Placee has agreed to acquire; (ii) the aggregate amount that such Placee will be required to pay for such Shares; and (iii) settlement instructions to pay Investec as agent for the Company. The terms of this Part 10 will be deemed to be incorporated into that Contract Note or Placing Confirmation;
- 4.1.12 settlement of transactions in the Shares following Admission will take place in CREST but Investec reserves the right in its absolute discretion to require settlement in certificated form if, in its opinion, delivery or settlement is not possible or practicable within the CREST system within the timescales previously notified to the Placee (whether orally, in the Contract Note or Placing Confirmation, in the Placing Letter or otherwise) or would not be consistent with the regulatory requirements in any Placee's jurisdiction;
- 4.1.13 none of the Shares have been or will be registered under the laws of any member state of the EEA (other than the United Kingdom), the United States, Canada, Japan, Australia, the Republic of South Africa or any other jurisdiction where the extension or availability of the Placing would breach any applicable law. Accordingly, the Shares may not be offered, sold, issued or delivered, directly or indirectly, within any member state of the EEA (other than the United Kingdom), United States, Canada, Japan, Australia, the Republic of South Africa or any other jurisdiction where the extension or availability of the Placing would breach any applicable law unless an exemption from any registration requirement is available;
- 4.1.14 it: (i) is entitled to subscribe for the Shares under the laws of all relevant jurisdictions; (ii) has fully observed the laws of all relevant jurisdictions; (iii) has the requisite capacity and authority and is entitled to enter into and perform its obligations as a subscriber for Shares and will honour such obligations; and (iv) has obtained all necessary consents and authorities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;
- 4.1.15 if it is within the United Kingdom, it is a person who falls within: (i) Articles 19(1) or 19(5) (Investment Professionals); or (ii) Articles 49(2)(A) to (D) (high net worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or is a person to whom the Shares may otherwise lawfully be offered whether under such Order or otherwise, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- 4.1.16 if it is a resident in a member state of the EEA (a "**Member State**"), it is a "qualified investor" within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive and otherwise permitted to be marketed to in accordance with the provisions of the AIFM Directive as implemented in the relevant Member State in which it is located;
- 4.1.17 in the case of any Shares acquired by an investor as a financial intermediary within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive: (i) the Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of Investec has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- 4.1.18 if it is outside the United Kingdom, neither this document (and any supplementary prospectus issued by the Company) nor any other offering, marketing or other material

in connection with the Placing or the Shares (for the purposes of this Part 10, each a **"Placing Document"**) constitutes an invitation, offer or promotion to, or arrangement with, it or any person for whom it is procuring to subscribe for Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation, promotion or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;

- 4.1.19 it does not have a registered address in, and is not a citizen, resident or national of the United States, Canada, Japan, Australia, the Republic of South Africa or any other jurisdiction in which it is unlawful to make or accept an offer of the Shares and it is not acting on a non-discretionary basis for any such person;
- 4.1.20 if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for Shares under the Placing and will not be any such person on the date that such Placing is accepted;
- 4.1.21 it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and you acknowledge and agree that no Placing Document is being issued by Investec, in its capacity as an authorised person under section 21 of FSMA and they may not therefore be subject to the controls which would apply if they were made or approved as financial promotion by an authorised person;
- 4.1.22 it is aware of and acknowledges that it is required to comply with all applicable provisions of FSMA with respect to anything done by it in relation to the in, from or otherwise involving, the United Kingdom;
- 4.1.23 it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, section 118 of FSMA and the Proceeds of Crime Act 2002 and confirm that it has and will continue to comply with those obligations;
- 4.1.24 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document (and any supplementary prospectus issued by the Company) or any other Placing Document to any persons within the United States or to any U.S. Person, nor will it do any of the foregoing;
- 4.1.25 no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the Shares or possession of this document (and any supplementary prospectus issued by the Company), in any country or jurisdiction where action for that purpose is required;
- 4.1.26 Investec, nor any of its affiliates nor any person acting on their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and participation in the Placing is on the basis that it is not and will not be a client of Investec and that Investec has no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing nor, if applicable, in respect of any representations, warranties, undertaking or indemnities contained in any Placing Letter;
- 4.1.27 that, save in the event of fraud on the part of Investec, none of Investec, its ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding Company, nor any of its respective directors, members, partners, officers and employees shall be responsible or liable to a Placee or any of its clients for any matter arising out of Investec' role as sponsor, broker or otherwise in connection with the Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately and irrevocably



waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;

- 4.1.28 that where it is subscribing for Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Shares for each such account; (ii) to make on each such account's behalf the undertakings, acknowledgements, representations, warranties and agreements set out in this document; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and Investec. It agrees that the provision of this paragraph shall survive any resale of the Shares by or on behalf of any such account;
- 4.1.29 it irrevocably appoints any Director and any director of Investec to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Shares comprising its Placing Commitment, in the event of its own failure to do so;
- 4.1.30 if the Placing does not proceed or the conditions to the Placing under the Placing and Offer Agreement are not satisfied or the Shares for which valid application are received and accepted are not admitted to listing on the Official List and to trading on the London Stock Exchange's main market for listed securities for any reason whatsoever then none of, Investec, the Company or Manager nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- 4.1.31 in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 (for the purposes of this Part 9, together the "**Money Laundering Regulations**") and that its application for Shares under the Placing is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied for Shares. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Regulations;
- 4.1.32 due to anti-money laundering requirements, Investec may require proof of identity and verification of the source of the payment before the application for Shares under the Placing can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Investec may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify Investec against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been requested has not been provided by it in a timely manner;
- 4.1.33 it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Money Laundering Regulations;
- 4.1.34 any personal data provided by it to the Company or Registrar will be stored both on the Registrar's computer system and manually. Such personal data is used by the Registrar to maintain the Company's register of Shareholders and mailing lists and this may include sharing such data with third parties in one or more other countries when: (a) effecting the payment of dividends and other distributions to Shareholders; and (b) filing returns of Shareholders and their respective transactions in Shares with statutory bodies and regulatory authorities. Personal data may be retained on record for

a period exceeding six years after it is no longer used. By becoming registered as a holder of Shares a person becomes a data subject (as defined in the Data Protection Act 1998) and is deemed to have consented to the processing by the Company or the Registrar of any personal data relating to them in the manner described above.

- 4.1.35 Investec is entitled to exercise any of their rights under the Placing and Offer Agreement (including, without limitation, rights of termination) or any other right in its absolute discretion without any liability whatsoever to them;
  - 4.1.36 the representations, undertakings and warranties contained in this Part 10 and, as applicable, in the Contract Note or Placing Confirmation and the Placing Letter (if any), are irrevocable. It acknowledges that Investec and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, warranties and undertakings and it agrees that if any of the representations or warranties or undertakings made or deemed to have been made by its subscription of the Shares under the Placing are no longer accurate, it shall promptly notify Investec and the Company;
  - 4.1.37 where it or any person acting on behalf of it is dealing with Investec any money held in an account with Investec on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Investec to segregate such money, as that money will be held by Investec under a banking relationship and not as trustee;
  - 4.1.38 any of its clients, whether or not identified to Investec will remain its sole responsibility and will not become clients of Investec for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
  - 4.1.39 the allocation of Shares in respect of the Placing shall be determined by Investec in its absolute discretion (in consultation with the Company and the Manager) and that Investec may scale down any Placing Commitment on such basis as they may determine (which may not be the same for each Placee);
  - 4.1.40 time shall be of the essence as regards its obligations to settle payment for the Shares subscribed under the Placing and to comply with its other obligations under the Placing;
  - 4.1.41 it authorises Investec to deduct from the total amount subscribed under the Placing the aggregation commission (if any) (calculated at the rate agreed with the Placee) payable on the number of Shares allocated under the Placing;
  - 4.1.42 in the event that a supplementary prospectus is required to be produced pursuant to section 87G FSMA and in the event that it chooses to exercise any right of withdrawal pursuant to section 87(Q)(4) FSMA, such Placee will immediately re-subscribe for the Shares previously comprising its Placing Commitment;
  - 4.1.43 the Placing will not proceed if the Minimum Proceeds are not raised; and
  - 4.1.44 the commitment to subscribe for Shares on the terms set out in this Part 10 and, as applicable, in the Contract Note or Placing Confirmation and the Placing Letter (if any) will continue notwithstanding any amendment that may in the future be made to the terms of the Placing and that it will have no right to be consulted or require that its consent be obtained with respect to the Company's conduct of the Placing.
- 4.2 The Company, the Manager, the Registrar, Investec will rely upon the truth and accuracy of the foregoing representations, warranties, undertakings and acknowledgements. You agree to indemnify and hold each of the Company, the Manager, the Registrar, Investec and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of any breach of the representations, warranties, undertakings, agreements and acknowledgements in this Part 10.

## **5. UNITED STATES PURCHASE AND TRANSFER RESTRICTIONS**

- 5.1 By participating in the Placing, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such

person(s)) be further deemed to acknowledge, understand, undertake, represent and warrant to each of the Company, the Manager, the Registrar, Investec that:

- 5.1.1 it is not a U.S. Person, is not located within the United States, is acquiring the Shares in an offshore transaction meeting the requirements of Regulation S and is not acquiring the Shares for the account or benefit of a U.S. Person;
- 5.1.2 the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or an exemption from registration under the U.S. Securities Act;
- 5.1.3 the Company has not registered under the U.S. Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the U.S. Investment Company Act;
- 5.1.4 they will not be entitled to the benefits of the U.S. Investment Company Act;
- 5.1.5 unless the Company expressly consents in writing otherwise, no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an “employee benefit plan” as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974 as amended (for the purposes of this Part 10, “**ERISA**”) that is subject to Title I of ERISA; (ii) a “plan” as defined in Section 4975 of the United States Internal Revenue Code of 1986, as amended (for the purposes of this Part 9, the “**U.S. Internal Revenue Code**”), including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Internal Revenue Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the U.S. Internal Revenue Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the U.S. Internal Revenue Code, its purchase, holding, and disposition of the Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- 5.1.6 that if any Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

“GABELLI VALUE PLUS+ TRUST PLC (THE “**COMPANY**”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**INVESTMENT COMPANY ACT**”). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS.”
- 5.1.7 if in the future the Placee decides to offer, sell, transfer, assign or otherwise dispose of the Shares, it will do so only in compliance with an exemption from the registration requirements of the U.S. Securities Act and under circumstances which will not require the Company to register under the U.S. Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance

with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles (as amended from time to time);

- 5.1.8 it is purchasing the Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to, or for sale or other transfer in connection with any distribution of the Shares in any manner that would violate the U.S. Securities Act, the U.S. Investment Company Act or any other applicable securities laws;
  - 5.1.9 the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person's status under the U.S. federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the U.S. securities laws to transfer such Shares or interests in accordance with the Articles (as amended from time to time);
  - 5.1.10 the Company is required to comply with the U.S. Foreign Account Tax Compliance Act of 2010 and any regulations made thereunder or associated therewith (for the purposes of this Part 10, "**FATCA**") and that the Company will follow FATCA's extensive reporting and withholding requirements. The Placee agrees to furnish any information and documents which the Company may from time to time request, including but not limited to information required under FATCA;
  - 5.1.11 it is entitled to acquire the Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Manager, the Registrar, Investec or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Issue or its acceptance of participation in the Placing;
  - 5.1.12 it has received, carefully read and understands this document (and any supplementary prospectus issued by the Company), and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus (and any supplementary prospectus issued by the Company) or any other presentation or offering materials concerning the Shares to or within the United States or to any U.S. Persons, nor will it do any of the foregoing; and
  - 5.1.13 if it is acquiring any Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements, undertakings and agreements on behalf of each such account.
- 5.2 The Company, the Manager, the Registrar and Investec will rely upon the truth and accuracy of the foregoing representations, warranties, undertakings and acknowledgements. You agree to indemnify and hold each of the Company, the Manager, the Registrar and Investec and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of any breach of the representations, warranties, undertakings, agreements and acknowledgements in this Part 10.

## **6. SUPPLY AND DISCLOSURE OF INFORMATION**

If Investec, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for Shares under the Placing, such Placee must promptly disclose it to them and ensure that such information is complete and accurate in all respects.

## **7. MISCELLANEOUS**

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

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

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

In the case of a joint agreement to subscribe for Shares under the Placing, references to a Placee in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

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

## PART 11

### TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION

#### 1. INTRODUCTION

Shares are available under the Offer at a price of 100 pence per Share.

Applications must be made on the application form (the "**Application Form**") attached at the end of this document or otherwise published by the Company.

#### 2. EFFECT OF APPLICATION

Applications under the Offer must be for Shares with a minimum subscription amount of £1,000 and thereafter in multiples of £100. Multiple applications will be accepted.

#### 3. OFFER TO ACQUIRE SHARES

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

- 3.1 offer to subscribe for such number of Shares at 100 pence per Share as may be purchased by the subscription amount specified in Box 1 on your Application Form (being a minimum of 1,000 Shares); or such smaller number for which such application is accepted, on the terms, and subject to the conditions, set out in this document, including these Terms and Conditions of Application and the Articles;
- 3.2 agree that, in consideration of the Company agreeing that it will not, prior to the date of Admission, offer for subscription any Shares to any person other than by means of the procedures referred to in this document, your application may not be revoked (subject to any legal right to withdraw your application which arises as a result of the publication of a supplementary prospectus) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by, the Receiving Agent of your Application Form;
- 3.3 undertake to pay the subscription amount specified in Box 1 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Shares applied for in certificated form or be entitled to commence dealing in Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Shares unless and until you make payment in cleared funds for such Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent, the Company and Investec against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque in your favour at your risk, for an amount equal to the proceeds of the remittance which accompanied your Application Form, without interest);
- 3.4 agree, that where on your Application Form a request is made for Shares to be deposited into a CREST account (a "**CREST Account**"): (i) the Receiving Agent may in its absolute discretion amend the form so that such Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds); and (ii) the Receiving Agent, the Company or Investec may authorise your financial adviser or whoever he or she may direct to send a document of title for or credit your CREST Account in respect of the number of Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Application Form;



- 3.5 agree, in respect of applications for Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 3.4 above to issue Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph 3.4 above (and any monies returnable to you) may be retained by the Receiving Agent:
- (i) pending clearance of your remittance;
  - (ii) pending investigation of any suspected breach of the warranties contained in paragraphs 3.6, 3.7, 3.11, 3.13, 3.14 or 3.16 below or any other suspected breach of these Terms and Conditions of Application; or
  - (iii) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of the UK Money Laundering Regulations and any other regulations applicable thereto,
- and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- 3.6 agree, on the request of the Receiving Agent to disclose promptly in writing to them such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which they may consider appropriate;
- 3.7 agree that if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Receiving Agent) following a request therefor, the Receiving Agent or the Company may terminate the agreement with you to allot Shares and, in such case, the Shares which would otherwise have been allotted to you may be re-allotted or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a UK clearing bank to the bank account on which the payment accompanying the application was first drawn without interest and at your risk;
- 3.8 agree that you are not applying on behalf of a person engaged in money laundering;
- 3.9 undertake to ensure that, in the case of an application signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- 3.10 undertake to pay interest at the rate described in paragraph 4 below if the remittance accompanying your Application Form is not honoured on first presentation;
- 3.11 authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Shares for which your application is accepted or if you have completed section 2B on your Application Form, but subject to paragraph 3.4 above, to deliver the number of Shares for which your application is accepted into CREST, and/or to return any monies returnable by a cheque drawn on a branch of a UK clearing house to the bank account name from which such monies were received without interest and at your risk;
- 3.12 confirm that you have read and complied with paragraph 9 below;
- 3.13 agree that all subscription cheques and payments will be processed through a bank account (the “**Acceptance Account**”) in the name of Computershare Investor Services PLC a/c Gabelli Value Plus+ Trust Plc opened by the Receiving Agent;
- 3.14 agree that your Application Form is addressed to the Company and the Receiving Agent;
- 3.15 agree that if a fractional entitlement to a Share arises on your application, the number of Shares issued to you will be rounded down to the nearest whole number and any fractions shall be retained by the Company for its benefit;
- 3.16 acknowledge that the offer to the public of Shares is being made only in the United Kingdom and represent that you are a United Kingdom resident (unless you are able to provide such evidence as the Company may, in its absolute discretion, require that you are entitled to apply for Shares); and

3.17 agree that any application may be rejected in whole or in part at the sole discretion of the Company.

#### **4. ACCEPTANCE OF YOUR OFFER**

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

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

The Receiving Agent will present all cheques and banker's drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payments.

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

Payments must be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society that is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or that has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of an individual Applicant where they have sole or joint title to the funds, should be made payable to Computershare Investor Services PLC a/c Gabelli Value Plus+ Trust Plc and crossed "A/C payee only". Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping/endorsing the cheque or banker's draft to that effect. The account name should be the same as that shown on the Application Form.

#### **5. CONDITIONS**

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

- (a) Admission occurring by 8.00 a.m. (London time) on 17 February 2015 (or such later time or date, not being later than 8.00 a.m. on 17 March 2015, as the Company and Investec may agree); and
- (b) the Placing and Offer Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission.

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

#### **6. RETURN OF APPLICATION MONIES**

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become

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

## **7. WARRANTIES**

By completing an Application Form, you:

- 7.1 undertake and warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- 7.2 warrant, if the laws of any territory or jurisdiction outside the UK are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the UK in connection with the Offer for Subscription in respect of your application;
- 7.3 confirm that (save for advice received from your financial adviser (if any)) in making an application you are not relying on any information or representations in relation to the Company other than those contained in this document (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for this document or any part thereof shall have any liability for any such other information or representation;
- 7.4 agree that, having had the opportunity to read this document in its entirety, you shall be deemed to have had notice of all information and representations contained herein;
- 7.5 acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Manager, Investec or the Receiving Agent;
- 7.6 warrant that you are not under the age of 18 on the date of your application;
- 7.7 agree that all documents and monies sent by post to, by, from or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first named holder) as set out in your Application Form;
- 7.8 confirm that you have reviewed the restrictions contained in paragraph 9 below and warrant that you (and any person on whose behalf you apply) comply with the provisions therein;
- 7.9 agree that, in respect of those Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the Register;
- 7.10 agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- 7.11 irrevocably authorise the Company, Investec or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Shares subscribed by or issued to you into your name and authorise any representatives of the Company and/or Investec and/or the Receiving Agent to execute any documents required therefor and to enter your name on the Register;

- 7.12 agree to provide the Company with any information which it, Investec or the Receiving Agent may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time-to-time) including without limitation satisfactory evidence of identity to ensure compliance with the UK Money Laundering Regulations;
- 7.13 warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, Investec or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your application;
- 7.14 represent and warrant to the Company that: (i) you are not a U.S. Person, are not located within the United States and are not acquiring the Shares for the account or benefit of a U.S. Person; (ii) you are acquiring the Shares in an offshore transaction meeting the requirements of Regulation S; (iii) you understand and acknowledge that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, into or within the United States or to, or for the account or benefit of, U.S. Persons; and (iv) you understand and acknowledge that the Company has not registered and will not register as an investment company under the U.S. Investment Company Act;
- 7.15 represent and warrant to the Company that if in the future you decide to offer, sell, transfer, assign or otherwise dispose of the Shares, you will do so only: (i) in an offshore transaction complying with the provisions of Regulation S under the U.S. Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person, by pre-arrangement or otherwise; or (ii) to the Company or a subsidiary thereof. You understand and acknowledge that any sale, transfer, assignment, pledge or other disposal made other than in compliance with the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- 7.16 agree that Investec and the Receiving Agent are acting for the Company in connection with the Offer for Subscription and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the Shares or concerning the suitability of the Shares for you or be responsible to you for the protections afforded to their customers;
- 7.17 warrant that you are not subscribing for the Shares using a loan which would not have been given to you or any associate or not given to you on such favourable terms, if you had not been proposing to subscribe for the Shares;
- 7.18 warrant that the information contained in the Application Form is true and accurate; and
- 7.19 agree that if you request that Shares are issued to you on a date other than Admission and such Shares are not issued on such date that the Company and its agents and Directors will have no liability to you arising from the issue of such Shares on a different date.

## 8. MONEY LAUNDERING

You agree that, in order to ensure compliance with the UK Money Laundering Regulations, the Proceeds of Crime Act 2002 and any other applicable regulations, the Receiving Agent may at its absolute discretion require verification of identity of you (the “holder(s)”) as the applicant lodging an Application Form and further may request from you and you will assist in providing identification of:

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

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

Without prejudice to the generality of this paragraph 8.2, verification of the identity of holders and payors will be required if the value of the Shares applied for, whether in one or more applications considered to be connected, exceeds €15,000 (or the Sterling equivalent). If, in such circumstances, you use a building society cheque or banker's draft you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque or banker's draft and adds its stamp. If, in such circumstances, the person whose account is being debited is not a holder you will be required to provide for both the holder and the payor an original or a copy of that person's passport or driving licence certified by a solicitor and an original or certified copy of the following no more than three months old, a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressees' risk) together with a signed declaration as to the relationship between the payor and you the holder.

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

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

If the amount being subscribed exceeds €15,000 (or the Sterling equivalent) you should endeavour to have the declaration contained in section 5 of the Application Form signed by an appropriate firm as described in that section. If you cannot have that declaration signed and the amount being subscribed exceeds €15,000 (or the Sterling equivalent) then you must provide with the Application Form the identity documentation detailed in section 6 of the Application Form for each underlying beneficial owner.

## **9. NON-UNITED KINGDOM INVESTORS**

The Offer for Subscription is only being made in the United Kingdom. If you receive a copy of this document or an Application Form in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the UK and wish to make an application for Shares under the Offer for Subscription, to satisfy yourself as to full observance of the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

None of the Shares have been or will be registered under the laws of any member state of the EEA (other than the United Kingdom), Canada, Japan, Australia, the Republic of South Africa or under the U.S. Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States, any member state of the EEA (other than the United Kingdom), Canada, Japan, Australia or the Republic of South Africa. If you subscribe for Shares you will, unless the Company and the Receiving Agent agree otherwise in writing, be deemed to represent and warrant to the Company that you are not a U.S. Person or a resident of any member state of the EEA (other than the United Kingdom), Canada, Japan, Australia, the Republic of South Africa or a corporation, partnership or other entity organised under the laws of any member state of the EEA (other than the United Kingdom), the U.S. or Canada (or any political subdivision of either) or Japan or Australia or the Republic of South Africa and that you are not subscribing for such Shares for the account of any U.S. Person or resident of any member state of the EEA (other than the United Kingdom), Canada, Japan, Australia or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Shares in or into any member state of the EEA (other than the United Kingdom), the United States, Canada, Japan, Australia or the Republic of South Africa or to any U.S. Person or person resident in Canada, any member state of the EEA (other than the United Kingdom), Japan, Australia or the Republic of South Africa. No application will be accepted if it shows the applicant, payor or a holder having an address other than in the United Kingdom.



## **10. THE DATA PROTECTION ACT 1998**

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

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

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

## **11. MISCELLANEOUS**

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

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

The Company reserves the right to extend the closing time and/or date of the Offer for Subscription from 1.00 p.m. on 11 February 2015. In that event, the new closing time and/or date will be notified to applicants.

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

You agree that Investec and the Receiving Agent are acting for the Company in connection with the Issue and for no-one else, and that neither Investec nor the Receiving Agent will treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of the Shares or concerning the suitability of the Shares for you or otherwise in relation to the Issue or for providing the protections afforded to their customers.

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



## NOTES ON HOW TO COMPLETE THE APPLICATION FORM

**Applications should be returned so as to be received no later than 1.00 p.m. (London time) on 11 February 2015.**

**HELP DESK:** If you have a query concerning completion of this Application Form please call the Receiving Agent on 0870 703 6319 or from outside the UK on +44 (0) 870 703 6319. Calls from landline providers typically cost up to 12p per minute. From mobile networks calls cost between 5p and 40p per minute. Calls from outside the UK are chargeable at applicable international rates. Calls may be recorded and randomly monitored for security and training purposes. Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). The helpline cannot provide advice on the merits of the offer nor give any financial, legal or tax advice

### 1. APPLICATION

Fill in (in figures) in Box 1 the amount of money being subscribed for Shares. The amount being subscribed must be a minimum of £1,000 and thereafter in multiples of £100. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is made in order to benefit most favourably from any scaling back should this be required or to benefit most favourably from any commission arrangements.

### 2A. HOLDER DETAILS

Fill in (in block capitals) the full name and address of each holder. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference and the address given for the first named will be entered as the registered address for the holding on the share register and used for all future correspondence. A maximum of four joint holders is permitted. All holders named must sign the Application Form at section 3.

### 2B. CREST

If you wish your Shares to be deposited in a CREST Account in the name of the holders given in section 2A enter in section 2B the details of that CREST Account. Where it is requested that Shares be deposited into a CREST Account please note that payment for such Shares must be made prior to the day such Shares might be allotted and issued. It is not possible for an applicant to request that Shares be deposited in their CREST Account on an against payment basis. Any Application Form received containing such a request will be rejected.

### 3. SIGNATURE

All holders named in section 2A must sign section 3 and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

### 4. CHEQUE/BANKER'S DRAFT, PAYMENT

Payments must be made by cheque or banker's draft in Sterling drawn on a branch in the United Kingdom of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of any of these companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have a sole or joint title to the funds, should be made payable to "Computershare Investor Services PLC a/c Gabelli Value Plus+ Trust Plc". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping and endorsing the cheque/banker's draft to such effect.

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

## **5. RELIABLE INTRODUCER DECLARATION**

Applications will be subject to the UK's verification of identity requirements. This will involve you providing the verification of identity documents listed in section 6 of the Application Form UNLESS you can have the declaration provided at section 5 of the Application Form given and signed by a firm acceptable to the Receiving Agent. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the declaration provided in section 5 of the Application Form completed and signed by a suitable firm.

## **6. IDENTITY INFORMATION**

Applicants need only consider section 6 of the Application Form if the declaration in section 5 cannot be completed. Notwithstanding that the declaration in section 5 has been completed and signed the Receiving Agent reserves the right to request of you the identity documents listed in section 6 and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application might be rejected or revoked. Where certified copies of documents are provided such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

## **7. CONTACT DETAILS**

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are provided here but a regulated person is identified in section 5, the Receiving Agent will contact the regulated person. If no details are entered here and no regulated person is named in section 5 and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

**INSTRUCTIONS FOR DELIVERY OF COMPLETED APPLICATION FORMS** – Completed Application Forms should be returned, by post to Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH or by hand (during normal business hours), to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received no later than 1.00 p.m. (London time) on 11 February 2015, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.

## APPENDIX

### APPLICATION FORM

Please send this completed form by post to Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received no later than 1.00 p.m. (London time) on 11 February 2015.

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The Directors may, with the prior approval of Investec, alter such date and thereby shorten or lengthen the offer period. In the event that the offer period is altered, the Company will notify investors of such change.

Important: Before completing this form, you should read the Prospectus dated 29 January 2015 (the "**Prospectus**") and the Terms and Conditions of the Offer for Subscription set out in this document and accompanying notes to this form.

To: Gabelli Value Plus+ Trust Plc and the Receiving Agent

Box 1 (minimum of £1,000 and in multiples of £100 thereafter)

£

#### 1. APPLICATION

I/We the person(s) detailed in section 2A below offer to subscribe the amount shown in Box 1 for Shares subject to the Terms and Conditions of the Offer for Subscription set out in the Prospectus and subject to the articles of association of the Company in force from time-to-time.

#### 2A. DETAILS OF HOLDER(S) IN WHOSE NAME(S) SHARES WILL BE ISSUED

##### (BLOCK CAPITALS)

1:	Mr, Mrs, Ms or Title:	Forenames (in full):
	Surname/Company name:	
	Address (in full):	
		Postcode:
	Designation (if any):	
2:	Mr, Mrs, Ms or Title:	Forenames (in full):
	Surname/Company name:	
	Address (in full):	
		Postcode:
	Designation (if any):	

<b>3:</b>	Mr, Mrs, Ms or Title:	Forenames (in full):
	Surname/Company name:	
	Address (in full):	
		Postcode:
	Designation (if any):	

<b>4:</b>	Mr, Mrs, Ms or Title:	Forenames (in full):
	Surname/Company name:	
	Address (in full):	
		Postcode:
	Designation (if any):	

## 2B. CREST ACCOUNT DETAILS INTO WHICH SHARES ARE TO BE DEPOSITED (IF APPLICABLE)

Only complete this section if Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in Section 2A.

### (BLOCK CAPITALS)

CREST Participant ID: 

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CREST Member Account ID: 

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## 3. SIGNATURE(S): ALL HOLDERS MUCH SIGN

By completing the signature/execution boxes below you are deemed to have read the Prospectus and agreed to the terms and conditions in Part 11 of the Prospectus (Terms and Conditions of Application under the Offer for Subscription) and to have given the warranties, representations and undertakings set out therein.

Signature by an individual (or joint individual applicants)

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

Execution by a company

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

#### 4. CHEQUES/BANKER'S DRAFT DETAILS

Pin or staple to this form your cheque or banker's draft for the exact amount shown in Box 1 made payable to "Computershare Investor Services PLC a/c Gabelli Value Plus+ Trust Plc" and crossed "A/C Payee". Cheques and banker's payments must be drawn in Sterling on an account at a bank branch in the United Kingdom and must bear a United Kingdom bank sort code number in the top right hand corner. If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker's draft or cheque and adds its stamp.

#### 5. RELIABLE INTRODUCER DECLARATION

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 6 of this form.

The declaration below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the "**firm**") which is itself subject in its own country to operation of 'know your customer' and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom.

#### DECLARATION:

##### To the Company and the Receiving Agent

With reference to the holder(s) detailed in section 2A, all persons signing at section 3 and the payor identified in section 6 if not also a holder (collectively the "**subjects**") WE HEREBY DECLARE:

1. we operate in the United Kingdom, or in a country where money laundering regulations under the laws of that country are, to the best of our knowledge, no less stringent than those which prevail in the United Kingdom and our firm is subject to such regulations;
2. we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
3. each of the subjects is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
4. we confirm the accuracy of the names and residential business address(es) of the holder(s) given at section 2A and if a CREST Account is cited at section 2B that the owner thereof is named in section 2A;
5. having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Shares mentioned; and
6. where the payor and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).

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

Signed:	Name:	Position:
Name of regulatory authority:		Firm's licence number:
Website address or telephone number of regulatory authority:		
STAMP of firm giving full name and business address:		

## 6. IDENTITY INFORMATION

If the declaration in section 5 cannot be signed and the value of your application is greater than €15,000 (or the Sterling equivalent), please enclose with that Application Form the documents mentioned below, as appropriate. Please also tick the relevant box to indicate which documents you have enclosed, all of which will be returned by the Receiving Agent to the first named Applicant.

In accordance with internationally recognised standards for the prevention of money laundering, the documents and information set out below must be provided:

Holders				Payor

Tick here for documents provided

### A. For each holder being an individual enclose:

- (1) an original or a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and
- (2) an original or certified copies of at least two of the following documents no more than 3 months old which purport to confirm that the address given in section 2A is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill – a recent bank statement – a council rates bill – or similar document issued by a recognised authority; and
- (3) if none of the above documents show their date and place of birth, enclose a note of such information; and
- (4) details of the name and address of their personal bankers from which the Receiving Agent may request a reference, if necessary.

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### B. For each holder being a company (a "holder company") enclose:

- (1) a certified copy of the certificate of incorporation of the holder company; and
- (2) the name and address of the holder company's principal bankers from which the Receiving Agent may request a reference, if necessary; and
- (3) a statement as to the nature of the holder company's business, signed by a director; and
- (4) a list of the names and residential addresses of each director of the holder company; and
- (5) for each director provide documents and information similar to that mentioned in A above; and
- (6) a copy of the authorised signatory list for the holder company; and

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- (7) a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also complete C below and, if another company is named (hereinafter a “**beneficiary company**”), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

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**C. For each person named in B(7) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in A(1) to (4).**

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**D. For each beneficiary company named in B(7) as a beneficial owner of a holder company enclose:**

- (1) a certified copy of the certificate of incorporation of that beneficiary company; and
- (2) a statement as to the nature of that beneficiary company's business signed by a director; and
- (3) the name and address of that beneficiary company's principal bankers from which the Receiving Agent may request a reference, if necessary; and
- (4) a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.

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**E. If the payor is not a holder and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 5 on how to complete this form) enclose:**

- (1) if the payor is a person, for that person the documents mentioned in A(1) to (4); or
- (2) if the payor is a company, for that company the documents mentioned in B(1) to (7); and
- (3) an explanation of the relationship between the payor and the holder(s).

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The Receiving Agent reserves the right to ask for additional documents and information.

## 7. CONTACT DETAILS

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Receiving Agent may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are provided here but a regulated person is identified in section 5, the Receiving Agent will contact the regulated person. If no details are entered here and no regulated person is named in section 5 and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:	Email address:
Contact address:	
	Postcode:
Telephone No.:	Fax No.:

