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Gabelli Merger Plus⁺ Trust Plc

(Incorporated in England and Wales with registered no. 10747219 and registered as an investment company under section 833 of the Companies Act 2006)

Placing for up to 20,000,000 Shares at US\$10 per Share

Admission to trading on Specialist Fund Segment of the Main Market of the London Stock Exchange, and to listing and trading on the Official List of the International Stock Exchange

Portfolio Manager
Gabelli Funds, LLC

Alternative Investment Fund Manager
Carne Global Fund Managers (Ireland) Limited

Distributors



GAMCO Investors, Inc.
GABELLI ASSET MANAGEMENT COMPANY (UK)



This document comprises a prospectus (the "Prospectus") relating to Gabelli Merger Plus⁺ Trust Plc (the "Company"), in connection with the admission of Shares in the Company to the Specialist Fund Segment of the Main Market of the London Stock Exchange (the "Specialist Fund Segment"), prepared in accordance with the prospectus rules of the Financial Conduct Authority (the "FCA") made pursuant to section 73A of FSMA (the "Prospectus Rules"). This Prospectus has been approved by the FCA and has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules. This document also constitutes a listing document for the purposes of seeking admission of the Shares to the Official List of The International Stock Exchange (the "TISE").

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

Application will be made to the London Stock Exchange and the TISE for the ordinary shares in the capital of the Company, in issue and to be issued in connection with the Placing (the "**Shares**"), to be admitted (i) to trading on the Specialist Fund Segment, and (ii) to listing and trading on the Official List of the TISE. It is not intended that any class of Shares in the Company be admitted to listing in any other jurisdiction. It is expected that Admission will become effective and dealings for normal settlement in the Shares issued in connection with the Admission will commence on 19 July 2017.

This document includes particulars given in compliance with the listing rules of the TISE for the purpose of giving information with regard to the Company.

Securities admitted to trading on the Specialist Fund Segment are not admitted to the Official List of the FCA. Therefore, the Company has not been required to satisfy the eligibility criteria for admission to listing on the Official List and is not required to comply with the FCA's Listing Rules. The London Stock Exchange has not examined or approved the contents of this document.

The Company and each of the Directors, whose names appears on page 46 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus includes particulars given in compliance with the Listing Rules of The International Stock Exchange Authority Limited for the purpose of giving information with regard to the issuer. The Directors, whose names appear on page 46 of this Prospectus, accept full responsibility for the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Gabelli Funds, LLC (the "**Portfolio Manager**") accepts responsibility for the information and opinions contained in Part II (Investment Proposition) and Part III (The AIFM and the Portfolio Manager) of this Prospectus and any other information or opinion related to or attributed to it or any other Affiliate of the Portfolio Manager. To the best of the Portfolio Manager's knowledge, the Portfolio Manager having taken all reasonable care to ensure that such is the case, the information and opinions contained in this Prospectus related to or attributed to it or any Affiliate of the Portfolio Manager are in accordance with the facts and does not omit anything likely to affect the import of such information or opinions.

GAMCO Asset Management (UK) Limited ("**GAMCO**") is authorised and regulated by the FCA and is acting exclusively for the Company and for no one else in connection with the Placing and Admission and will not be responsible to anyone (whether or not a recipient of this Prospectus) other than the Company for providing the protections afforded to clients of GAMCO or for affording advice in relation to the Placing and Admission, the contents of this Prospectus or any matters referred to herein. GAMCO is not responsible for the contents of this Prospectus. This does not exclude any responsibilities which GAMCO may have under FSMA or the regulatory regime established thereunder.

Apart from the liabilities and responsibilities (if any) which may be imposed on a Distributor by the relevant regulatory regime, no Distributor makes any representations, express or implied, or accept any responsibility whatsoever for the contents of this Prospectus (or any supplementary prospectus published by the Company prior to the date of Admission) or for any other statement made or purported to be made by it or on its in connection with the Company, the AIFM, Portfolio Manager, the Shares, the Placing or Admission. The Distributors and their delegates accordingly disclaim all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it or they might otherwise have in respect of this Prospectus, any such supplementary prospectus or any such statement.

The actual number of Shares to be issued pursuant to the Placing will be determined by the Company after taking into account the demand for the Shares and prevailing economic market conditions. The Company does not envisage making an announcement regarding the amount to be raised in the Placing or the number of Shares to be issued until final determination of the number of Shares to be issued and allotted, unless required to do so by law. Further details of the Placing and how the number of such Shares is to be determined are contained in Part V (Issue Arrangements) of this Prospectus.

The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"), and as such investors will not be entitled to the benefits of the Investment Company Act. The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, transferred or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, any "US persons" as defined in Regulation S under the Securities Act ("**US Persons**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the Investment Company Act. In connection with the Placing, subject to certain exceptions, offers and sales of the Shares will be made only outside the United States in "offshore transactions" to non-US Persons pursuant to Regulation S under the Securities Act. There will be no public offer of the Shares in the United States.

Neither the United States Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of the Shares or passed upon or endorsed the merits of the offering of the Shares or the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Notice to prospective investors in Italy Subject to the accomplishment of the procedure set forth under Article 28-quater of Regolamento Emittenti in order to be marketed in Italy to Professional Investors under Italian Law, no Shares may be offered, sold or delivered, nor may copies of this Prospectus or any other document relating to the Shares be distributed in the Republic of Italy, except to "professional clients" under Italian law, as defined under Article 26 paragraph 1, letter d) of the Regolamento Intermediari and "selected investors", being any investor subscribing for and/or acquiring Shares of the Company in Italy, to the extent permitted under applicable law, for a minimum overall amount in the US Dollar of at least EUR 500,000. Any offer, sale or delivery of the Shares in the Republic of Italy or distribution of copies of this Prospectus or any other document relating to the Shares in the Republic of Italy under the above must be: (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Legislative Decree 24 February 1998, no. 58 (as from time to time amended and supplemented), Regolamento Intermediari and Legislative Decree no. 385 of 1 September 1993 (as from time to time amended and supplemented); and (b) in compliance with any other applicable laws and regulations.

The Shares may not be acquired by: (i) investors using assets of: (A) an "employee benefit plan" as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") that is subject to Title I of ERISA; (B) a "plan" as defined in Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**US Tax Code**"), including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (C) an entity whose underlying assets are considered to include "plan assets" by reason of investment by an "employee benefit plan" or "plan" described in preceding clause (A) or (B) in such entity pursuant to the US Plan Assets Regulations; or (ii) a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code (collectively, "**Benefit Plan Investors**"), unless its purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of ERISA, Section 4975 of the US Tax Code or any such substantially similar law. Each investor acquiring Shares including in any secondary transactions on the Specialist Fund Segment or the TISE shall be deemed by such acquisition to represent that it is not a Benefit Plan Investor.

The Shares are subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations and under the Articles. Investors may be required to bear the financial risks of their investment in the Shares for an indefinite period of time. Any failure to comply with such restrictions may constitute a violation of applicable securities laws and may subject the holder to the forced transfer provisions set out in the Articles. For further information on restrictions on offers, sales and transfers of the Shares, please refer to paragraphs 8 and 9 of Part V (Issue Arrangements) of this Prospectus.

In connection with the Placing, any Distributor or its Affiliates, acting as investor(s) for its (or their) own account(s), may acquire 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 other related investments in connection with the Placing or otherwise. Accordingly, references in this Prospectus to the Shares being issued, offered, acquired, subscribed or otherwise dealt with, should be read as including any issue or offer to, acquisition of, or subscription or dealing by any Distributors or any of their Affiliates acting as investor(s) for its (or their) own account(s). It is not intended that any Distributors will disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. Investors in the Company are expected to be institutional investors, professional investors, professionally advised investors and highly knowledgeable investors who understand, or who have been advised of, the potential risks from investing in the Company. It should be remembered that the price of the Shares and the income from them can go down as well as up.

This Prospectus does not constitute or form part of any offer or invitation to sell, or the solicitation of an offer to acquire or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for such securities by any person in any circumstances in which such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the AIFM or the Portfolio Manager.

Neither the admission of the Shares to the Official List of the TISE nor the approval of the listing document pursuant to the listing rules of the TISE shall constitute a warranty or representation by the TISE as to the competence of the service providers to or any other party connected with the Company, the adequacy and accuracy of the information contained in this document or the suitability of the Company for investment or for any other purpose.

Capitalised terms contained in this Prospectus shall have the meanings set out in Part IX (Definitions) of this Prospectus, save where the context indicates otherwise.

Prospective investors should read this entire Prospectus and, in particular, the section headed "Risk Factors" beginning on page 20 when considering an investment in the Company.

This Prospectus is dated 15 June 2017.

TABLE OF CONTENTS

| | |
|---|------------|
| SUMMARY | 1 |
| RISK FACTORS | 20 |
| IMPORTANT NOTICES | 38 |
| EXPECTED TIMETABLE | 45 |
| DIRECTORS, ADVISERS AND OTHER SERVICE PROVIDERS | 46 |
| PART I – THE COMPANY | 48 |
| PART II – INVESTMENT PROPOSITION | 57 |
| PART III – THE AIFM AND THE {PORTFOLIO MANAGER | 65 |
| PART IV – DIRECTORS AND ADMINISTRATION | 72 |
| PART V – ISSUE ARRANGEMENTS | 83 |
| PART VI – TAXATION | 89 |
| PART VII – ADDITIONAL INFORMATION ON THE COMPANY | 95 |
| PART VIII – TERMS AND CONDITIONS OF THE PLACING | 132 |
| PART IX – DEFINITIONS | 138 |

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SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A1 – E7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of security 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".

| <i>Section A – Introduction and warnings</i> | | |
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| Element | Disclosure requirement | Disclosure |
| A1 | Warning | This summary should be read as an introduction to this Prospectus. Any decision to invest in the Shares should be based on consideration of this Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Union, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Shares. |
| A2 | Use of prospectus by financial intermediaries | Not applicable. The Company has not given its consent to the use of this Prospectus for subsequent resale or final placement of securities by financial intermediaries. |
| <i>Section B – Issuer</i> | | |
| Element | Disclosure requirement | Disclosure |
| B1 | Legal and commercial name | Gabelli Merger Plus ⁺ Trust Plc |
| B2 | Domicile and legal form | The Company is a public limited company incorporated in England and Wales under the Act on 28 April 2017 with registered number 10747219. |
| B5 | Group description | Not applicable. The Company is not part of a group and does not have any subsidiaries. |
| B6 | Notifiable interests / voting rights | Gabelli & Company Investment Advisers, Inc. holds all voting rights in the Company as at the date of this Prospectus. As at the date of this Prospectus and insofar as is known to the Company, assuming Minimum Gross Proceeds is raised, Associated Capital Group, Inc. will, immediately following the Placing, be directly |

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| | | or indirectly interested in 3 per cent. or more of the Company's issued share capital. |
| B7 | Key financial information | Not applicable. The Company has been newly incorporated and has no historical financial information. |
| B8 | Key pro forma financial information | Not applicable. No pro forma information is included in this Prospectus. |
| B9 | Profit forecast | Not applicable. No profit estimate or forecast has been made for the Company. |
| B10 | Description of the nature of any qualifications in the audit report on the historical financial information | Not applicable. The Company has been newly incorporated and has no historical financial information. |
| B11 | Explanation if working capital not sufficient for present requirements | Not applicable. The Company is of the opinion that, taking into account the Minimum Net Proceeds, the working capital available to it is sufficient for the present requirements of the Company, that is for at least 12 months from the date of this Prospectus. |
| B34 | Investment objective and policy | <p><i>Investment objective</i></p> <p>The Company's primary investment objective is to seek to generate total return, consisting of capital appreciation and current income. The Company will seek a secondary objective of the protection of capital, uncorrelated to equity and fixed income markets.</p> <p><i>Investment policy</i></p> <p>The Company will seek to meet its investment objective by utilizing the Gabelli Private Market Value (PMV) with a Catalyst™, investment methodology, maintaining a diversified portfolio of catalyst event merger arbitrage strategies to seek to create an optimal risk/reward profile for the portfolio.</p> <p>"Catalyst Event Driven Merger Arbitrage" is a highly specialised active investment approach designed principally to profit from the differences between the public market price and the price achieved through corporate catalyst events. Catalysts are utilised to earn returns independent of the broad markets' direction. This includes corporate events such as announced mergers, acquisitions, takeovers, tender offers, leveraged buyouts, restructurings, demergers and other types of reorganisations and corporate actions ("deals").</p> <p>The Company will invest globally although it is expected to have an emphasis on securities traded in the United States, predominantly equity securities issued by companies of any market capitalisation. The Company is permitted, however, to use a variety of investment strategies and instruments, including but not limited to: convertible and</p> |

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| | | <p>nonconvertible debt securities; asset-backed and mortgage-backed securities; fixed interest securities, preferred stock, non-convertible preferred stock, depositary receipts; shares or units of UCIs or UCITS; rights qualifying as transferable securities; when issued, delayed delivery transferable securities; forward contracts; swaps; recently issued transferable securities; repurchase agreements, money market instruments and warrants.</p> <p>The Company may invest part of its net assets in cash and cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having at least a single-A (or equivalent) credit rating from an internationally recognised rating agency or government and other public securities, if the Portfolio Manager believes that it would be in the best interests of the Company and its Shareholders. This may be the case, for example, where the Portfolio Manager believes that adverse market conditions justify a temporary defensive position. Any cash or surplus assets may also be temporarily invested in such instruments pending investment in accordance with the Company's investment policy.</p> <p>The Company may take both long and short positions in both equity and debt securities. For shorting purposes the Company may use indices or individual stocks or fixed income securities.</p> <p>The Company may utilise financial derivative instruments to create both long and synthetic covered short positions with the aim of maximising positive returns. The Company may use strategies and techniques consisting of options, futures contracts, and currency transactions and may enter into total rate of return, credit default, or other types of swaps and related derivatives for various purposes, including to gain economic exposure to an asset or group of assets that may be difficult or impractical to acquire.</p> <p>The Company may also use derivatives for efficient portfolio management purposes including, without limitation, hedging and risk management.</p> <p>The Company has broad and flexible investment authority and, accordingly, it may at any time have investments in other related or unrelated areas. Strategies and financial instruments utilised by the Company may include: (i) purchasing or writing options (listed or unlisted) of any and all types including options on equity securities, stock market and commodity indices, debt securities, futures contracts, future contracts on commodities and currencies, (ii) trading in commodity futures contracts, commodity option contracts and other commodity interests including physical commodities, (iii) borrowing money from brokerage firms and banks on a demand basis to buy and sell short investments in excess of capital and (iv) entering into swap agreements (of any and all types including commodity swaps, interest rate swaps and currency swaps), forward contracts, currencies, foreign exchange contracts, warrants, credit default swaps, synthetic derivatives (for example CDX), collateralised debt obligations tranches, and other structured or synthetic debt obligations, partnership interests or interests in other investment companies and any other financial instruments of any and all types which exist now or are hereafter created.</p> <p><i>Investment restrictions and portfolio diversification</i></p> <p><i>General</i></p> <p>The Company will seek to mitigate portfolio risk by investing in a</p> |
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| | | <p>diversified spread of investments. In particular, no single investment shall, at the time of investment, account for more than 15 per cent. of the gross assets of the Company. There is, however, no limitation on the number of investments which may be exposed to any one type of "deal" (as defined above). 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><i>Derivatives</i></p> <p>If the Company invests in derivatives and/or structured financial instruments, whether for investment purposes or efficient portfolio management purposes, the notional value of each individual derivative or structured financial instrument at the time of investment will not exceed 15 per cent. of the gross assets of the Company.</p> <p><i>Short Selling</i></p> <p>The Portfolio Manager is expected to engage in short selling as a tactic to implement its investment strategy. Short selling is generally used to implement a spread position, selling short securities against a corresponding long security to achieve a return based on the narrowing of a spread. For example, in the case of announced mergers in exchange for shares, the Portfolio Manager would typically buy shares of the target, while simultaneously selling short shares of the acquirer. These short sales are done for spread purposes, to offset movements in the acquirer's stock, while preserving the economics of the deal spread. In spread positions, the Portfolio Manager does not expect to sell short securities without a corresponding long position. Accordingly, it is expected that a substantial majority of the Company's individual short positions will be for spread investing. On occasion, short sales may also be used to hedge market, macro, or other risks, based on the Portfolio Manager's view of the market conditions at the time. It is not expected that short positions will account for greater than 50 per cent. of the Company's gross assets.</p> <p><i>Certain associated risks</i></p> <p>Investing in derivatives also involves credit risk with regard to counterparties with whom the Company trades, the risk of settlement default, lack of liquidity of the derivative and imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the company is seeking to track.</p> <p>In accordance with standard industry practice when investing in derivatives, the Company may be required to secure its obligations to its counterparty. For non-fully funded derivatives, this may involve the placing of initial and/or variation margin assets with the counterparty. For derivatives which require the Company to place initial margin assets with a counterparty, such assets might not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Company may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the relevant company's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Company may have an uncollateralised risk</p> |
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| | | <p>exposure to a counterparty under a derivative up to such minimum transfer amount.</p> <p>Additional risks associated with investing in derivatives may include a counterparty breaching its obligations to provide collateral, or due to operational issues (such as time gaps between the calculation of risk exposure to a counterparty's provision of additional collateral or substitutions of collateral or the sale of collateral in the event of a default by a counterparty), there may be instances where credit exposure to its counterparty under a derivative contract is not fully collateralised. The use of derivatives may also expose the Company to legal risk, which is the risk of loss due to the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable.</p> <p><i>Remediation</i></p> <p>In the event of a breach of the investment guidelines and restrictions set out above, the Portfolio Manager will inform the Board and the Depositary upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to an RIS and the Portfolio Manager will look to resolve the breach with the agreement of the Board.</p> |
| B35 | Borrowing limits | <p>At the sole discretion of the Portfolio Manager, the Company may use leverage as part of its investment programme. It is anticipated that the Company will structurally gear and use tactical leverage or portfolio borrowings in an amount (calculated at the time of draw down) of around 2 times of the Net Asset Value, subject to maximum gearing of 2.5 times the Net Asset Value.</p> <p>As at the date of this Prospectus, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness and the Company's issued share capital consists of 1 Share and 5,000,000 Redeemable Preference Shares with no legal reserve or other reserves.</p> |
| B36 | Regulatory status | <p>The Company operates under the Act and is not regulated as a collective investment scheme by the FCA. The Company intends to conduct its affairs so as to qualify, at all times, as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 (as amended).</p> |
| B37 | Typical investors | <p>The Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. Investors in the Company are expected to be institutional investors, professional investors, professionally advised investors and highly knowledgeable investors who understand, or who have been advised of, the potential risks from investing in the Company. It should be remembered that the price of the Shares and the income from them can go down as well as up.</p> |
| B38 | Investment of more than 20 per cent. in | <p>Not applicable – no single asset will represent more than 20 per cent. of the gross assets of the Company on Admission.</p> |

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| | single underlying asset or investment company | |
| B39 | Investment of more than 40 per cent. in single underlying asset or investment company | Not applicable – no single asset will represent more than 40 per cent. of the gross assets of the Company on Admission. |
| B40 | Applicant's service providers | <p><i>The AIFM</i></p> <p>The Company has appointed Carne Global Fund Managers (Ireland) Limited as its alternative investment fund manager pursuant to the AIFM Directive (the "AIFM"). The AIFM is responsible for the portfolio management and risk management functions of the Company (which is an 'alternative investment fund' for the purposes of the AIFM Directive). The AIFM is regulated and authorised by the Central Bank of Ireland as an authorised EEA alternative investment fund manager.</p> <p>The AIFM has delegated the portfolio management functions regarding the Company to the Portfolio Manager. The AIFM will monitor on a continued basis the activities of the third parties to which it has delegated functions. The agreements entered into between the AIFM and the relevant third parties provide that the AIFM can give at any time further instructions to such third parties and that it can withdraw their mandate under certain circumstances. The AIFM's liability towards the Company is not affected by the fact that it has delegated certain functions to third parties.</p> <p>In consideration of the services to be provided by the AIFM under the AIFM Agreement, the AIFM will be entitled to receive from the Company such annual fees, accrued and payable at such times, as may be agreed in writing between itself and the Company from time to time. The annual fees will be payable monthly out of the assets of the Company as follows:</p> <ul style="list-style-type: none"> (A) up to 0.05 per cent. per annum of the first €500 million in Net Asset Value; (B) 0.04 per cent. per annum of the Net Asset Value that exceeds €500 million and up to €750 million; (C) 0.03 per cent. per annum of the Net Asset Value that exceeds €750 million and up to €1 billion; and (D) 0.02 per cent. per annum of the Net Asset Value that exceeds €1 billion, <p>provided that if the above does not compute to a monthly fee of at least €2,500, then instead of using the above chart for that month, the fee shall be €2,500.</p> <p><i>The Portfolio Manager</i></p> <p>The AIFM has delegated portfolio management functions to Gabelli Funds, LLC (the "Portfolio Manager").</p> |

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| | | <p>The AIFM, the Company and the Portfolio Manager have entered into the Portfolio Management Agreement pursuant to which the Portfolio Manager has been delegated, subject to the overall supervision of the AIFM, portfolio management functions in respect of the Company's assets from time to time.</p> <p><i>Management Fee</i></p> <p>Under the terms of the Portfolio Management Agreement, the Portfolio Manager will be entitled to a management fee ("Management Fee"), together with reimbursement of reasonable expenses incurred by it in the performance of its duties under the Portfolio Management Agreement, other than the salaries of its employees and general overhead expenses attributable to the provision of the services under the Portfolio Management Agreement.</p> <p>The Management Fee shall be accrued daily and calculated on each Business Day at a rate equivalent to 0.85 per cent. of NAV per annum ("MF Calculation Date").</p> <p><i>Performance Fee</i></p> <p>The Portfolio Manager shall be entitled to earn a Performance Fee (as defined below) under the Portfolio Management Agreement. The Portfolio Manager is entitled to assign such Performance Fee to one of its Affiliates at any time. The Performance Fee shall be payable on the following basis.</p> <p>Subject to the satisfaction of the Performance Conditions, the Portfolio Manager (or, where the Portfolio Manager so directs, any Affiliate of the Portfolio Manager) shall be entitled, in respect of each Performance Period, to receive 20 per cent. of the Total Return relating to such Performance Period, provided that such amount shall not exceed three per cent. of the Average NAV.</p> <p>The amounts payable to the Portfolio Manager (or its Affiliate) in accordance with this paragraph, being the "Performance Fee".</p> <p><u>Performance Conditions</u></p> <p>The Portfolio Manager's entitlement to a Performance Fee in respect of any Performance Period shall be conditional on the Closing NAV per Share in respect of the Performance Period (adjusted for any changes to the NAV per Share through dividend payments, Share repurchases (howsoever effected) and Share issuances since Admission) being in excess of:</p> <p style="padding-left: 40px;"><i>Performance Hurdle</i></p> <p>(i) an amount calculated as set out below; and</p> <p style="padding-left: 40px;"><i>High water mark</i></p> <p>(ii) the Closing NAV per Share in respect of the last Performance Period in respect of which a Performance Fee was payable to the Portfolio Manager (or an Affiliate) by the Company (adjusted for any changes to the NAV per Share through dividend payments, Share repurchases (howsoever effected) and Share issuances from Admission to the end of such Performance Period),</p> <p>(the "Performance Conditions").</p> <p><u>Definitions</u></p> <p>For the purpose of calculating the Performance Fee:</p> |
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| | | <p>(i) "Average NAV" means the weighted average of the Company's NAV at the end of each day during the Performance Period;</p> <p>(ii) "Closing NAV per Share" means the NAV per Share on the last Business Day of the relevant Performance Period (which shall not, for the avoidance of doubt, be adjusted for any Performance Fee accrued in relation to such Performance Period);</p> <p>(iii) "First Performance Period" means the period from Admission up to and including 30 June 2018;</p> <p>(iv) "Month" means a calendar month;</p> <p>(v) "NAV per Share" means the Net Asset Value divided by the number of Shares in issue (excluding any Shares held in treasury) at the relevant time;</p> <p>(vi) "Performance Hurdle" means, in relation to each Performance Period, "A" multiplied by "B", where:</p> <p>"A" is equal to the Starting NAV per Share increased by two times the rate of return on 13 week Treasury Bills published by the US Department of the Treasury over the Performance Period, less the Starting NAV per Share; and</p> <p>"B" is the weighted average of the number of Shares in issue (excluding any Shares held in treasury) at the end of each day during the Performance Period;</p> <p>(vii) "Performance Period" means the First Performance Period and/or a Subsequent Performance Period, as the context so requires;</p> <p>(viii) "Starting NAV per Share" means the NAV per Share on the first Business Day of each Performance Period (which, for the avoidance of doubt, shall be net of any accrued but unpaid Performance Fees for any previous Performance Periods but shall not be reduced by any dividends paid during such Performance Period which were declared in respect of any previous Performance Period);</p> <p>(ix) "Subsequent Performance Period" means each 12-Month period subsequent to the First Performance Period, commencing on the relevant 1 July and ending on the relevant 30 June (inclusive), provided that the last Performance Period will end on the date on which the Portfolio Management Agreement is terminated;</p> <p>(x) "Total Return" means, in relation to each Performance Period, "C" multiplied by "D", where:</p> <p>"C" is the difference between the Starting NAV per Share and the Closing NAV per Share (with the Closing NAV per Share being adjusted for any changes to the NAV per Share through dividend payments, Share repurchases (howsoever effected) and Share issuances during the relevant Performance Period); and</p> <p>"D" is the weighted average of the number of Shares in issue (excluding any Shares held in treasury) at the end of each day during the Performance Period.</p> |
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| | | <p>The Performance Fee for a given Performance Period shall be paid within 10 Business Days following the end of such Performance Period.</p> <p>Company Secretary</p> <p>Maitland Administration Services Ltd. has been appointed as Company Secretary of the Company pursuant to the Company Secretarial Services Agreement. The Company Secretary will be responsible for the general company secretarial functions required by the Act (including, but not limited to, making all such returns and filings on behalf of the Company as may be required by the Act). Prospective investors should note that it is not possible for the Company Secretary to provide any investment advice to investors.</p> <p>In consideration for its services, the Company Secretary is entitled to receive a fee (exclusive of VAT) which comprises a fixed component and a variable component. The fees is payable on a monthly basis in arrears. The Company will be charged a fixed fee of £25,000 in Year 1 and £35,000 in each subsequent year. The variable fee component will be charged at one-twelfth of 0.01 per cent. of the most recently published Net Asset Value prior to the date on which the fees for a given month are calculated provided that such Net Asset Value exceeds £100 million.</p> <p>Administrator</p> <p>State Street Bank and Trust Company has been appointed as Administrator of the Company pursuant to the Administration Services Agreement. The Administrator will be responsible for the day to day administration of the Company (including but not limited to the maintenance of the Company's books of accounts and financial records and the calculation of the daily NAV and NAV per Share). Prospective investors should note that it is not possible for the Administrator to provide any investment advice to investors.</p> <p>The Administrator is currently entitled to an annual fee payable monthly in arrears out of the assets of the Company as follows:</p> <ul style="list-style-type: none"> (A) 0.04 per cent. per annum of the first US\$125 million in Net Asset Value; (B) 0.03 per cent. per annum of the Net Asset Value that exceeds US\$125 million, up to US\$500 million; and (C) 0.02 per cent. per annum of any portion of the Net Asset Value that exceeds US\$500 million, <p>provided that if the above does not compute to a fee of at least US\$75,000 in a given year following the first anniversary of Admission, then the fee payable to the Administrator in that year shall be US\$75,000.</p> <p>Depository</p> <p>State Street Trustees Limited has been appointed as Depository of the Company pursuant to the Depository Agreement, for the purposes of and in compliance with the AIFM Directive and the relevant FCA Rules. The principal business activity of the Depository is the provision of depository services. The Depository will perform those duties prescribed to depositaries under the AIFM Directive. The Depository provides services to the Company as set out in the Depository Agreement and, in doing so, shall comply with the AIFM Directive, the relevant FCA Rules and the terms of this Prospectus.</p> <p>As compensation for the services performed and the facilities and</p> |
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| | | <p>personnel provided by the Depositary pursuant to the Depositary Agreement, the Company shall pay an annual fee of 0.025 per cent. per annum of the gross assets of the Company which will be calculated and accrued daily and billed and payable monthly in arrears.</p> <p>Custodian</p> <p>The Depositary may delegate its safekeeping functions subject to the terms of the Depositary Agreement. The Depositary has delegated safekeeping duties as set out in the AIFM Directive and the FCA Rules to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company, in its capacity as the Custodian, is entitled to: (i) an annual safekeeping fee, billed and payable monthly, in the range of 0.005 – 0.075 per cent. per annum of the gross assets of the Company; and (ii) a transaction fee in the range of US\$12.5 – US\$30 per portfolio trade settled (inclusive of sub-custodian expenses), provided that the minimum annual fee payable to the Custodian shall not be less than US\$31,250.</p> <p>Registrar and Receiving Agent</p> <p>Computershare Investor Services Plc has been appointed as the Company's Registrar pursuant to the Registrar Services Agreement and as the Company's Receiving Agent pursuant to the Receiving Agent Agreement.</p> <p>The Registrar will be responsible for the maintenance of the Company's register of members, dealing with routine correspondence and enquiries, and the performance of all the usual duties of a registrar in relation to the Company. Under the terms of the Registrar Services 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 reasonable out of pocket costs, expenses and charges properly incurred on behalf of the Company.</p> <p>The Receiving Agent will accept responsibility for, inter alia, receiving the application for Shares and the application monies, holding application cheques in a secure area to present them for payment and receiving and checking conversion instructions. Under the terms of the Receiving Agent Agreement, the Receiving Agent 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 Receiving Agent is also entitled to reimbursement of all reasonable out of pocket costs, expenses and charges properly incurred on behalf of the Company.</p> <p>Auditor</p> <p>The auditor to the Company will be Pricewaterhouse Coopers LLP of 7 More London Riverside, London SE1 2RT. Pricewaterhouse Coopers LLP is independent of the Company and is registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales.</p> <p>The auditor's responsibility is to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards. The annual report and accounts will be prepared according to IFRS.</p> |
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| B41 | Regulatory status of investment manager, investment adviser and Custodian | <p><i>The AIFM</i></p> <p>The AIFM is a limited liability company incorporated under the laws of Ireland on 10 November 2003, and having its registered office at 2nd Floor, Block E, Iveagh Court, Harcourt Road, Dublin 2, Ireland, as its alternative investment fund manager pursuant to the AIFM Directive. The AIFM is regulated and authorised by Central Bank of Ireland as an authorised EEA alternative investment fund manager.</p> <p><i>The Portfolio Manager</i></p> <p>The Portfolio Manager is a corporation established under the laws of the State of New York on 9 February 1999 and having its principal office at One Corporate Center, Rye, NY 10580-1422. The Portfolio Manager is a registered investment adviser under the Advisers Act and is regulated by the SEC.</p> <p><i>Custodian</i></p> <p>The Depositary may delegate its safekeeping functions subject to the terms of the Depositary Agreement. The Depositary has delegated safekeeping duties as set out in the AIFM Directive and the FCA Rules to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK, whom it has appointed as its global sub-custodian.</p> |
| B42 | Calculation of Net Asset Value | <p>The Net Asset Value is the value of all assets of the Company less its liabilities (all as determined in accordance with the Company's accounting policies). The Net Asset Value per Share is the Net Asset Value divided by the number of Shares in issue at the relevant time. The Net Asset Value will be audited on a yearly basis.</p> <p>The unaudited Net Asset Value and the unaudited Net Asset Value per Share will be calculated in US Dollars by the Administrator (on the basis of information provided by the Portfolio Manager) on a daily basis, and will be notified to the market via an RIS and published on the Company's website on a daily basis.</p> <p>The Net Asset Value of the Company will be calculated on the basis of the market prices of the Company's underlying investments. Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the US over-the-counter market, for which market quotations are readily available, will be valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security will be valued at the average of the closing bid and ask prices or, if there were no ask prices quoted on that day, then the security will be valued at the closing bid price on that day. If no bid or ask prices are quoted on such day, the security will be valued at the most recently available price or, if the Board so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market will be valued according to the broadest and most representative market, as determined by the Portfolio Manager.</p> <p>The Board may temporarily suspend the calculation and publication of the Net Asset Value during a period when, in the opinion of the Board:</p> <ul style="list-style-type: none"> • there are political, economic, military or monetary events or |

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| | | <p>any circumstances outside the control, responsibility or power of the Board, and disposal or valuation of investments of the Company or other transactions in the ordinary course of the Company's business are not reasonably practicable without material detriment to the interests of Shareholders;</p> <ul style="list-style-type: none"> • there is a breakdown of the means of communication normally employed in determining the calculation of the Net Asset Value; or • it is not reasonably practicable to determine the Net Asset Value on an accurate, fair and timely basis. <p>Any suspension in the calculation of the Net Asset Value, to the extent required under the Articles, will be notified through an RIS as soon as practicable after such suspension occurs.</p> <p>Any suspension in the calculation of the Net Asset Value may also lead to a suspension of the listing of the Company on the Official List of the TISE for the period where such suspension is in force.</p> |
| B43 | Cross liability | Not applicable. The Company is not an umbrella collective investment undertaking. |
| B44 | No financial statements have been made up | <p>The Company has been newly incorporated and has no historical financial information.</p> <p>Save for its entry into certain material contracts and non-material contracts, since its incorporation, the Company has not commenced operations, has not declared any dividend and no financial statements have been made up.</p> |
| B45 | Portfolio | Not applicable. The Company has not commenced operations and so has no portfolio as at the date of this Prospectus. |
| B46 | Net Asset Value | Not applicable. The Company has not commenced operations and so has no Net Asset Value as at the date of this Prospectus. |
| Section C – Securities | | |
| Element | Disclosure requirement | Disclosure |
| C1 | Type and class of securities | <p>The Shares being offered under the Placing are ordinary shares with a nominal value of US\$0.01 in the capital of the Company. Applications will be made for the Shares to be admitted: (i) to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange (the "Specialist Fund Segment"); and (ii) to listing and trading on the Official List of The International Stock Exchange ("TISE").</p> <p>The ISIN of the Shares is GB00BD8P0741 and the SEDOL is BD8P074. The ticker symbol of the Company is GMP.</p> |
| C2 | Currency of the securities issue | US Dollars. |
| C3 | Number of securities in | The following table shows the issued share capital of the Company as |

| | issue | <p>at the date of this Prospectus:</p> <table> <tr> <th></th><th><i>Nominal Value</i></th><th><i>Number</i></th></tr> <tr> <td>Shares</td><td>US\$0.01</td><td>1</td></tr> <tr> <td>Redeemable Preference Shares</td><td>£0.01</td><td>5,000,000</td></tr> </table> | | <i>Nominal Value</i> | <i>Number</i> | Shares | US\$0.01 | 1 | Redeemable Preference Shares | £0.01 | 5,000,000 |
|------------------------------|---|--|--|----------------------|---------------|--------|----------|---|------------------------------|-------|-----------|
| | <i>Nominal Value</i> | <i>Number</i> | | | | | | | | | |
| Shares | US\$0.01 | 1 | | | | | | | | | |
| Redeemable Preference Shares | £0.01 | 5,000,000 | | | | | | | | | |
| C4 | Description of the rights attaching to the securities | <p>Life</p> <p>The Company has been established with an unlimited life. The Articles provide, however, that a continuation resolution be put to Shareholders as an ordinary resolution at the first annual general meeting of the Company to be held following the fifth anniversary of Admission. If the resolution is not passed, then the Board will be required to put proposals for the reconstruction, reorganisation or winding up of the Company to the Shareholders for their approval within six months of the date of the general meeting at which the continuation resolution was proposed.</p> <p>Dividends</p> <p>Subject to the provisions of the Act and the Articles, all dividends shall be declared and paid according to the amounts paid-up on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as at a particular date, it shall rank for dividend accordingly. In any other case, dividends shall be apportioned and paid proportionately to the amount paid-up on the shares during any portion(s) of the period in respect of which the dividend is paid. The Directors may, with the authority of an ordinary resolution of the Company and in accordance with the Articles, offer any holders of shares the right to elect to receive new shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the directors) of any dividend specified by the ordinary resolution.</p> <p>Distribution of assets on a winding up</p> <p>If the Company is wound up, the liquidator may, with the sanction of a special resolution and any other sanction required by law and subject to the Act, divide among the Shareholders, <i>in specie</i>, the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator may with the like sanction determine, but no Shareholder shall be compelled to accept any assets upon which there is a liability.</p> <p>Voting rights</p> <p>Subject to any rights or restrictions attached to any class of shares, on a show of hands every Shareholder present in person at a meeting has one vote and every proxy present who has been duly appointed by a Shareholder entitled to vote has one vote, and on a poll every Shareholder (whether present in person or by proxy) has one vote for every share of which they are the holder. A Shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use the same way. In the case of joint holders, the vote of the senior who tenders a vote shall be accepted to the exclusion of the vote of the other joint holders, and seniority shall be determined by the order in which the names of the holders appear in the Register.</p> <p>No Shareholder shall have any right to vote at any general meeting or</p> | | | | | | | | | |

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| | | <p>at any separate meeting of the holders of any class of Shares, either in person or by proxy, in respect of any Share held by them unless all amounts presently payable by them in respect of that Share have been paid.</p> <p>The Company has implemented a loyalty programme (the "Loyalty Programme") to incentivise long-term ownership of Shares. The Loyalty Programme is offered to all Shareholders, at any point in time, who are entered in a separate register in respect of Shares held by them (the "Loyalty Register"). The Loyalty Register will be maintained by the Registrar and will allow a Shareholder to increase its voting power after holding its Shares for a continuous period of at least five years, as set out below.</p> <p>With a view to ensuring that the Company continues to be considered a "foreign private issuer" for the purposes of the Securities Act and the Exchange Act, thus avoiding the materially adverse consequences outlined above, the Articles provide that, in respect of any shareholder resolution concerning the appointment or removal of one or more Directors (a "Director Resolution"), each Shareholder shall be required, as set out in the Articles, to make certain certifications with regard to their status (and, to the extent they hold Shares for the account or benefit of any other person, the status of such other person) as a non-US resident (each Shareholder that does not so certify, being a "Non-Certifying Shareholder"). If the aggregate total of votes which Non-Certifying Shareholders would otherwise be entitled to cast on a Director Resolution is greater than 49 per cent. of the aggregate total of votes which all Shareholders are entitled to cast on such Director Resolution then, pursuant to the Articles, the aggregate number of votes which Non-Certifying Shareholders are entitled to cast on such Director Resolution shall be scaled down, on a pro rata basis, so as not to exceed 49 per cent. of the aggregate total of votes which all Shareholders are entitled to cast on such Director Resolution.</p> |
| C5 | Restrictions on the free transferability of the securities | <p>In their absolute discretion, the Directors may refuse to register the transfer of a share in certificated form which is not fully paid provided that, if the share is traded on a regulated market, such refusal does not prevent dealings in the shares from taking place on an open and proper basis. The Directors may also refuse to register a transfer of a share in certificated form unless the instrument of transfer:</p> <ul style="list-style-type: none"> • is lodged, duly stamped, at the registered office of the Company or such other place as the Directors may appoint and is accompanied by the certificate for the share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and/or the transferee to receive the transfer (including such written certifications in form and substance satisfactory to the Company as the Directors may determine in accordance with applicable law); • is in respect of only one class of share; • is not in favour of more than four transferees; and • the transfer is not in favour of any Non-Qualified Holder. <p>The Directors may refuse to register a transfer of a share in uncertificated form to a person who is to hold it thereafter in certificated form in any case where the Company is entitled to refuse (or is excepted from the requirement) under the Uncertificated Securities</p> |

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| | | <p>Regulations to register the transfer.</p> <p>If the Directors refuse to register a transfer of a share, they shall send the transferee notice of that refusal with reasons for the refusal within two months after the date on which the transfer was lodged with the Company (for the transfer of a share in certificated form) or the date the operator-instruction was received by the Company (for the transfer of a share in uncertificated form which will be held thereafter in certificated form).</p> <p>No fee shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any share.</p> <p>The Directors may, in their absolute discretion, decline to transfer, convert or register any transfer of shares to any person: (i) whose ownership of shares may cause the Company's assets to be deemed "plan assets" for the purposes of ERISA or the US Tax Code; (ii) whose ownership of shares may cause the Company to be required to register as an "investment company" under the Investment Company Act or to lose an exemption or a status thereunder to which it might otherwise be entitled (including because the holder of Shares is not a "qualified purchaser" as defined in the Investment Company Act); (iii) whose ownership of shares may cause the Company to be required to register under the Exchange Act or any similar legislation; (iv) whose ownership of shares may cause the Company to be a "controlled foreign corporation" for the purposes of the US Tax Code, or may cause the Company to suffer any pecuniary disadvantage (including any excise tax, penalties or liabilities under ERISA or the US Tax Code); (v) whose ownership of shares may cause the Company to cease to be considered a "foreign private issuer" for the purposes of the Securities Act or the Exchange Act; or (vi) whose ownership of shares would or might result in the Company not being able to satisfy its obligations on the Common Reporting Standard developed by the Organisation for Economic Co-Operation and Development or such similar reporting obligations on account of, <i>inter alia</i>, non-compliance by such person with any information request made by the Company, (each person described in (i) through (vi) above, being a "Non-Qualified Holder").</p> |
| C6 | Admission to trading on a regulated market | <p>Application will be made to the London Stock Exchange and the TISE for the Shares to be issued pursuant to the Placing to be admitted: (i) to trading on the Specialist Fund Segment; and (ii) to listing and trading on the Official List of the TISE.</p> |
| C7 | Dividend policy | <p>In order to allow the Shareholders to realise a predictable, but not assured, level of cash flow and some liquidity periodically on their investment, the Company has adopted a "managed dividend policy", which may be changed at any time by the Board. Pursuant to such policy, the Company currently intends, subject to being able to comply with all legal and regulatory requirements and restrictions, to pay Shareholders a dividend at a minimum annualised dividend rate of 5 per cent. of the average Net Asset Value per Share during each calendar quarter (the "Expected Dividend Rate"). The Company currently intends to declare the first dividend on 31 December 2017 (the "First Dividend") and it is expected that the First Dividend will be paid no later than 31 January 2018. After the First Dividend, the Company currently intends to declare dividends at the end of each fiscal quarter at the Expected Dividend Rate, and to make dividend</p> |

| | | <p>payments no later than 30 days after the end of the relevant fiscal quarter.</p> <p>The Expected Dividend Rate is a target only and not a profit forecast. The Expected Dividend Rate is based on estimates and assumptions and there can be no assurance or guarantee that the Expected Dividend Rate or actual returns can be achieved at to near the levels set forth above. Potential investors should not place any reliance on the Expected Dividend Rate and should make their own determination as to whether the Expected Dividend Rate is reasonable or achievable in deciding whether to invest in the Company.</p> |
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| <i>Section D – Risks</i> | | |
| Element | Disclosure requirement | Disclosure |
| D1 D2 | Key information on the key risks specific to the issuer or its industry | <ul style="list-style-type: none"> • The Company is recently established and has no operating history. Accordingly, there are no historical financial statements or other meaningful operating or financial data with which to evaluate the Company and its performance. An investment in the Company is subject to all of the risks and uncertainties associated with a new business, which may result in the value of the investment by Shareholders declining substantially or even an entire loss of investment. • The success of the Company will depend on the ability of the Portfolio Manager to pursue the Company's investment policy successfully and on broader market conditions. There can be no assurance that the Portfolio Manager will be successful in pursuing the Company's investment policy or that the Portfolio Manager will be able to invest the Company's assets on attractive terms, generate any investment returns for the Company's investors or avoid investment losses. • The past performance of other funds or investments managed or advised by the Portfolio Manager or its Affiliates, including, without limitation, funds or other products with a similar investment policy to the Company, cannot be relied upon as an indicator of future performance of the Company. • The Company has no employees and all of the Directors have been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for its executive functions. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment or the termination of these agreements may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the NAV and/or the market price of the Shares. • The principal risk associated with the Company's arbitrage investments is that certain of the proposed reorganisations in which the Company invests may be renegotiated, terminated or involve a longer time frame than originally contemplated, in which case the Company may realise losses. |

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| | | <ul style="list-style-type: none"> Investor returns will be dependent upon the performance of the portfolio and 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. Before making investments, the Portfolio 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 Portfolio 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 Net Asset Value per Share and the market price of the Shares. |
| D3 | Key information on the key risks specific to the securities. | <ul style="list-style-type: none"> The price at which the Shares trade will likely not be the same as their Net Asset Value (although they are related). The shares of investment trusts have a tendency to trade at a discount to their net asset value and the Shares could in future trade at a discount to their Net Asset Value for a variety of reasons, including due to market conditions or an imbalance between supply and demand for the Shares. The Directors may seek to mitigate any discount to NAV per Share through such discount management mechanisms as they consider appropriate. Admission should not be taken as implying that there will be an active and liquid market for the Shares. The number of Shares to be issued pursuant to the Placing is not yet known and there may, on Admission, be a limited number of holders of such Shares. Furthermore, the existence of the Loyalty Register and the related loyalty voting structure and eligibility criteria for participation in the Fifth Anniversary Tender Offer, may incentivise Shareholders not to trade their Shares. Limited numbers and/or holders of such Shares (and/or limited numbers of Shareholders willing to trade their Shares) may mean that there is limited liquidity in such Shares. Subject to applicable laws and regulations, the Company may issue additional shares (including Shares). Any additional issuances by the Company, or the possibility of such issue, may cause the market price of the existing Shares to decline and the relative voting percentages of existing Shareholders may, to the extent they do not participate pro rata in the further issues, also be diluted by such further issues of Shares. Furthermore, new Shares may, at the Board's discretion, be issued non-pre-emptively at a price which (after costs and expenses) is less than the Net Asset Value per existing Share at the time of issue of the new Shares, which would reduce the Net Asset Value per Share of any Shares held by Shareholders immediately prior to such issue. In order for a Registered Shareholder to be entitled to purchase Special Voting Loyalty Shares from the Company, the Registered Shareholder must be identified by the Registrar as being entered |

| | | into the Loyalty Register in respect of the Shares for a continuous period of five years. A Shareholder is subject to the risk that the Registrar will not properly record the duration of their shareholding and therefore, they may not be able to exercise all of their rights as a Shareholder |
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| <i>Section E – Offer</i> | | |
| Element | Disclosure requirement | Disclosure |
| E1 | The total net proceeds and an estimate of the total expenses of the issue/offer, including estimated expenses charged to the investor by the issuer or the offeror | <p>The formation and initial expenses of the Company are those that are necessary for: (i) the establishment of the Company; (ii) the Placing; and (iii) Admission (the "Initial Expenses"). The Initial Expenses to be borne by the Company (which include registration, listing and admission fees, costs associated with printing, advertising and distribution costs, commissions and professional advisory fees, including legal fees, and any other applicable expenses) will be capped at 2 per cent. of the Gross Proceeds. Accordingly, as at the date of this Prospectus, on Admission, the opening NAV per Share is expected to be US\$9.80 and, on the basis that the Minimum Gross Proceeds are raised, the Minimum Net Proceeds will be US\$24.5 million.</p> <p>To the extent that the Initial Expenses do not exceed 2 per cent. of the Gross Proceeds, they will be borne by the Company in full and will be expensed in the Company's first accounting period.</p> <p>The Portfolio Manager has agreed that, in the event that the Initial Expenses exceed 2 per cent. of the Gross Proceeds, such excess will be borne by the Portfolio Manager.</p> <p>Any Distributor may charge a fee to potential investors in relation to services rendered in connection with the Placing and such fees payable may differ as between investors. Such fees will be borne by the relevant investors and not by the Company.</p> |
| E2a | Reasons for the offer and use of proceeds | <p>Assuming the Minimum Gross Proceeds is raised, the Company intends to invest the Net Proceeds raised under the Placing in the acquisition of investments sourced by the Portfolio Manager in accordance with its Investment Objective and Investment Policy. The Placing is being made in order to provide investors with the opportunity to invest in a diversified portfolio of investments (as described in its Investment Objective and Investment Policy) through the medium of an investment trust.</p> |
| E3 | Terms and Conditions of the Offer | <p>The Company is targeting a minimum initial capital raise of US\$25 million before expenses (the "Minimum Gross Proceeds"), through the Placing of Shares at US\$10 per Share (the "Placing Price").</p> <p>The Placing is conditional on:</p> <ul style="list-style-type: none"> (i) Admission occurring by 8.00 am on 19 July 2017 (or such later date, not being later than the Long Stop Date, as the Company may determine); and (iii) the Minimum Gross Proceeds (and, consequently, the Minimum Net Proceeds) being raised. <p>The minimum subscription for investors pursuant to the Placing is US\$1,000. There is no maximum subscription, unless notified to</p> |

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| | | investors. The Directors may, in their absolute discretion, waive the minimum application amount on request. |
| E4 | Material interests | Not applicable. No interest is material to the Placing. |
| E5 | Name of person or entity offering to sell securities Lock-up arrangements, the parties involved and indication of the period of the lock-up | Not applicable – there are no selling entities. |
| E6 | Dilution | Not applicable. This is an initial offering. |
| E7 | Estimated expenses charged to the investor by the issuer or the offeror | Not applicable. No expenses will be charged directly to investors by the Company in connection with the establishment of the Company, the Placing or Admission. |

RISK FACTORS

An investment in the Shares carries a number of risks including the risk that the entire investment may be lost. In addition to all other information set out in this Prospectus, the following specific factors should be considered when deciding whether to make an investment in the Shares. The risks set out below are those that are considered to be the material risks relating to the Company and to an investment in the Shares but are not the only risks relating to the Company and to such investment in the Shares. No assurance can be given that Shareholders will realise profit on, or recover the value of, their investment in the Shares. It should be remembered that the price of securities and the income from them can go down as well as up.

Prospective investors should note that the risks relating to the Company, its investment strategy and the Shares summarised in the section of this Prospectus headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described in this "Risk Factors" section of this Prospectus. Additional risks and uncertainties not currently known to the Company or the Directors or that the Company or the Directors consider to be immaterial as at the date of this Prospectus may also have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's NAV and/or the market price of the Shares.

The Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. Investors in the Company are expected to be institutional investors, professional investors, professionally advised investors and highly knowledgeable investors who understand, or who have been advised of, the potential risks from investing in the Company.

Potential investors in the Shares should review this Prospectus carefully in its entirety and consult with their professional advisers prior to making an application to subscribe for Shares.

RISKS RELATING TO THE COMPANY

The Company is a newly formed company with no operating history

The Company was incorporated as a public limited company registered in England and Wales under the Act on 28 April 2017. The Company has not commenced operations and has no operating history. No historical financial statements or other meaningful operating or financial data upon which prospective investors may base an evaluation of the likely performance of the Company have been prepared. An investment in the Company is therefore subject to all the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its investment objective.

There can be no guarantee that the Company will achieve its investment objective or that investors will get back the full value of their investment

The investment objective of the Company is a target only and should not be treated as an assurance or guarantee of future performance. There is no assurance that any appreciation in the value of the Shares will occur or that the investment objective of the Company will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company.

The success of the Company will depend on the ability of the Portfolio Manager to pursue the Company's investment policy successfully and on broader market conditions as discussed in this

"Risk Factors" section. There can be no assurance that the Portfolio Manager will be successful in pursuing the Company's investment policy or that the Portfolio Manager will be able to invest the Company's assets on attractive terms, generate any investment returns for the Company's investors or avoid investment losses.

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

The Company has no employees and all of the Directors have been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for its executive functions. In particular, the AIFM, the Portfolio Manager, the Depositary, the Company Secretary, the Administrator and the Registrar will be performing services which are integral to the operation of the Company (please see section below entitled "*Risks relating to the Portfolio Manager*"). Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment or the termination of these agreements may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the NAV and/or the market price of the Shares.

Misconduct of employees and third party service providers

Misconduct or misrepresentations by employees of the Portfolio Manager or other 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, 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 or 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 Portfolio Manager's or the other service providers' due diligence efforts, misconduct and intentional misrepresentations may be undetected or not fully comprehended, thereby potentially undermining those due diligence efforts. As a result, no assurances can be given that the due diligence performed by the Portfolio Manager or any other service provider will identify or prevent any such misconduct.

There may be circumstances in which a Director has a conflict of interests

There may be circumstances in which a Director has, directly or indirectly, a material interest in a transaction being considered by the Company or a conflict of interest with the Company. Any of the Directors and/or any person connected with them may, from time to time, act as a director or employee of, or invest in or be otherwise involved with: (i) other investment vehicles that have investment objectives and policies similar to those of the Company; or (ii) entities or other vehicles that are the subject of transactions with the Company, subject, in both cases and at all times, to the provisions governing such conflicts of interest both in law and in the Articles.

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

There 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 US 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 US 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 US and around the world, growing social and political discord in the US, economic slowdown in China, downgrades of US government securities and other similar events may result in market volatility and may have long term effects on the US and worldwide financial markets, and may cause further economic uncertainties in the US 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 US 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.

RISKS RELATING TO THE INVESTMENT STRATEGY

The principal risk associated with the Company's arbitrage investments is that certain of the proposed reorganisations in which the Company invests may be renegotiated, terminated or involve a longer time frame than originally contemplated, in which case the Company may realise losses

The Company's investment strategy involves investment techniques and securities holdings that entail risks, in some cases different from the risks ordinarily associated with investments in equity securities. The principal risk associated with the Company's arbitrage investments is that certain of the proposed transactions in which the Company invests may be renegotiated, terminated or involve a longer time frame than originally contemplated, in which case the Company may realise losses. Among the factors that affect the level of risk with respect to the completion of the transaction are the deal spread and number of bidders, the friendliness of the buyer and seller, the strategic rationale behind the transaction, the existence of regulatory hurdles, the level of due diligence completed on the target company and the ability of the buyer to finance the transaction. If the spread between the purchase price and the current price of the seller's stock is small, the risk that the transaction will not be completed may outweigh the potential return. If there is very little interest by other potential buyers in the target company, the risk of loss may be higher than where there are back-up buyers that would allow the arbitrageur to realise a similar return if the current deal falls through. Unfriendly management of the target company or change in friendly management in the middle of a deal increases the risk that the deal will not be completed even if the target company's board has approved the transaction and may involve the risk of litigation expense if the target company pursues litigation in an attempt to prevent the deal from occurring. The underlying strategy behind the deal is also a risk consideration because the less a target company will benefit from a merger or acquisition, the greater the risk. There is also a risk that an acquiring company may back out of an announced deal if, in the process of completing its due diligence of the target company, it discovers something undesirable about such company. In addition, merger transactions are also subject to regulatory risk because a merger transaction often must be approved by a regulatory body or pass governmental antitrust review. All of these factors affect the timing and likelihood that the transaction will close. Even if the Portfolio Manager selects announced deals with the goal of mitigating the risks that the transaction will fail to close, such risks may still delay the closing of such transaction to a date later than the Company originally anticipated, reducing the level of desired return to the Company.

In recapitalisations, a corporation may restructure its balance sheet by selling specific assets, significantly leveraging other assets and creating new classes of equity securities to be distributed, together with a substantial payment in cash or in debt securities, to existing shareholders. In connection with such transactions, there is a risk that the value of the cash and new securities distributed will not be as high as the cost of the Company's original investment or that no such distribution will ultimately be made and the value of the Company's investment will decline. To the extent an investment in a company that has undertaken a recapitalisation is retained by the Company, the Company's risks will generally be comparable to those associated with investments in highly leveraged companies, generally including higher than average sensitivity to: (i) short term interest rate fluctuations; (ii) downturns in the general economy or within a particular industry; or (iii) adverse developments within the company itself.

Merger arbitrage positions are also subject to the risk of overall market movements. To the extent that a general increase or decline in equity values affects the stocks involved in a merger arbitrage position differently, the position may be exposed to loss.

Finally, merger arbitrage strategies depend for success on the overall volume of global merger activity, which has historically been cyclical in nature. During periods when merger activity is low, it may be difficult or impossible to identify opportunities for profit or to identify a sufficient number of such opportunities to provide balance among potential merger transactions. To the extent that the

number of announced deals and corporate reorganisations decreases or the number of investors in such transactions increases, it is possible that merger arbitrage spreads will tighten, causing the profitability of investing in such transactions to diminish, which will in turn decrease the returns to the Company from such investment activity.

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 Portfolio Manager or its Affiliates, including, without limitation, funds or other products with a similar investment policy to the Company, 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 Portfolio 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 Portfolio 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 Portfolio 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.

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.

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

At the sole discretion of the Portfolio Manager, the Company may use leverage as part of its investment programme. It is anticipated that the Company will structurally gear and use tactical leverage or portfolio borrowings in an amount (calculated at the time of draw down) of around 2 times of the Net Asset Value, subject to maximum gearing of 2.5 times the Net Asset Value. 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 and the market price of the Shares.

Any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its Net Asset Value per Share (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 and is therefore exposed to interest rate risk due to fluctuations in the prevailing market rates

In a rising interest rate environment, the cost of maintaining leverage will increase. Such an increase may result in a reduction of the total return on the Company's portfolio. In addition, in such an environment the Portfolio Manager may determine that leverage is too costly to employ which could have the effect of reducing the size of the Company's portfolio of investments and positions. Finally, 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 involves the use of derivatives

The Company's investment policy may involve the use of derivatives (including, without limitation, forward foreign exchange contracts, equity contract for difference swap agreements, securities sold short) and/or structured financial instruments. The Company may use both exchange-traded and over-the-counter derivatives 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 per Share, incorrect collateral calls or delays in collateral being posted.

The use of derivatives may expose the company to a higher degree of risk. These risks may include credit risk with regard to counterparties with whom the company trades, the risk of settlement default, lack of liquidity of the derivative, imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the company is seeking to track and greater transaction costs than investing in the underlying assets directly.

In accordance with standard industry practice when investing in derivatives, the Company may be required to secure its obligations to its counterparty. For non-fully funded derivatives, this may involve the placing of initial and/or variation margin assets with the counterparty. For derivatives which require the Company to place initial margin assets with a counterparty, such assets might not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Company may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the Company's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Company may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

Additional risks associated with investing in derivatives may include a counterparty breaching its obligations to provide collateral, or due to operational issues (such as time gaps between the calculation of risk exposure to a counterparty's provision of additional collateral or substitutions of

collateral or the sale of collateral in the event of a default by a counterparty), there may be instances where credit exposure to its counterparty under a derivative contract is not fully collateralised. The use of derivatives may also expose the Company to legal risk, which is the risk of loss due to the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable.

The Company's investment policy may involve short selling

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 securities 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 Shareholders.

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.

Dividend policy risk

The Company has adopted a policy, which may be changed at any time by the Board, that the Company intends to pay Shareholders a quarterly dividend at a minimum fixed annualised dividend rate in relation to the Net Asset Value of the Company at the time. This is known as a "managed dividend policy". However, the Company does not assure dividend payments. Dividends are paid only when declared by the Board subject to the Board's assessment of the Company's financial position and only if the Company has sufficient income and distributable reserves to make the dividend payment, and the level of dividend may vary over time. If the Company reduces or eliminates the level of its regular dividend payments, this may cause the market price of the Shares to fall. Where the Company makes a dividend payment to shareholders out of its distributable reserves, but does not make a corresponding reductions in its borrowings, the Company's leverage will increase.

The Company's performance may be adversely affected by currency movements

The proceeds of the offering will be denominated in US Dollars and the Board intends that all monies returned to Shareholders will be in US Dollars, the reported Net Asset Value per Share will be denominated in US Dollars, the trading price for the Shares will be quoted in US Dollars and that the annual and semi-annual results of the Company will be reported in US Dollars. The Company expects that a material portion of its investments will be made in US Dollar denominated assets but it is possible that distributions and income from or the proceeds from the disposal of certain investments in the portfolio may be realised in currencies other than US Dollars. Consequently, the value of investments in the portfolio made in non-US Dollar currencies will be affected by currency movements and will fall as the US Dollar appreciates against the currency in which such investments are denominated. Although the Company may seek to use financial instruments to hedge against the adverse effects of changes in currency exchange rates for efficient portfolio management purposes, neither the Portfolio 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.

The Company's cash may not be segregated from a prime broker's own money

Cash held by a prime broker appointed by the Company may not be treated as client money subject to the protections conferred by the FCA's client money rules. Accordingly, the Company's cash may not be segregated from the such prime broker's own money, may be used by it in the course of its investment business and the Company may therefore rank as one of the prime

broker's unsecured creditors in relation thereto. In relation to the Company's rights to the return of assets equivalent to those of the Company's investments which the prime broker borrows, lends or otherwise uses for its own purposes or margin, the Company will rank as one of such prime broker's unsecured creditors and in the event of the insolvency of such prime broker the Company might not be able to recover such equivalent assets in full. As at the date of this Prospectus, the Company has not appointed a prime broker and, therefore, the Company cannot predict how much of the Company's assets may be at risk and what procedures the Company will have in place to minimise this risk. However, as set out in paragraph 11 of Part I (The Company) of this Prospectus, if any prime brokers are appointed, relevant information relating to such prime broker arrangements will be made available to Shareholders in accordance with the AIFM Directive, either on the Company's website or in its annual report and accounts.

Risks of clearing houses, counterparties or exchange insolvency

The liquidity of a secondary market in derivatives is subject to the risk of trading halts, suspensions, exchange or clearing house equipment failures, government intervention, insolvency of a brokerage firm, clearing house or exchange or other disruptions of normal trading activity, including any prime brokers refusing to clear or settle any trade.

RISKS RELATING TO THE PORTFOLIO

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

Whilst, in accordance with its investment policy, the Company will seek to mitigate portfolio risk by investing in a diversified spread of investments and, in particular, no single investment will, at the time of investment, account for more than 15 per cent. of the gross assets of the Company, the Company's portfolio may be less diversified than other equities funds. Consequently, the Company's Net Asset Value per Share 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 Portfolio 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 Portfolio 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 Net Asset Value per Share 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 Portfolio Manager's evaluation of the outcome of the transaction concerned. If the Portfolio 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 RELATING TO THE PORTFOLIO MANAGER

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

The performance of the Company will depend on: (i) the ability of the Portfolio Manager to generate positive returns; and (ii) the Portfolio 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 Portfolio Manager to provide competent, attentive and efficient services to the Company under the terms of the Portfolio Management Agreement. If the Portfolio Manager is incorrect in its assessment of the growth prospects of the investments the Company holds or the likelihood of success of any event driven transaction in which the Company invests, then the value of the Company's Shares may decline. There can be no assurance that, over time, the Portfolio 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 Portfolio Manager

The performance of the Company's investments will depend heavily on the skills available to the Portfolio 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 Portfolio Manager and any delegate of the Portfolio Manager, particularly the members of the portfolio management team responsible for the Company's investments, none of whom is under any contractual obligation to the Company to continue to be associated with the Portfolio Manager or any delegate of the Portfolio 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 Portfolio Manager resigns, is removed or otherwise no longer serves as the Portfolio Manager.

The Portfolio Management Agreement may be terminated by the Portfolio Manager by giving the AIFM and the Company not less than 90 days' notice in writing. The AIFM may terminate the Portfolio Management Agreement by giving the Portfolio Manager 24 months' notice in writing. The Portfolio 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 Portfolio Management Agreement and either such breach is incapable of remedy or the other party fails to remedy such breach (a) within 30 days of being notified by the innocent party to do so if the AIFM or the Company has committed any material breach of its obligations under the Portfolio Management Agreement or (b) within 2 weeks of being notified by the innocent party to do so if the Portfolio Manager has committed any material breach of its obligations under the Portfolio Management Agreement; (ii) the other party goes into liquidation, or is declared insolvent or is subject to any type of judicial administration proceedings or payment moratorium (apart from voluntary liquidation for the purposes of reconstruction or amalgamation on the terms previously agreed by the first party) or is unable to pay its debts or commits any act of bankruptcy under its laws of establishment, or if a receiver is appointed over the whole or any of the other party's assets or if some event having an equivalent effect occurs; or (iii) the AIFM ceases for any reason to be the Company's appointed alternative investment manager; or (iv) the continued delegation to the Portfolio Manager prevents for any reason the effectiveness of

supervision of the AIFM and in particular prevents the AIFM from acting, or the Company to be managed, in accordance with the AIFM Directive, the AIFM Regulation or any other applicable rules, guidelines, acts or other instruments derived from the AIFM Directive or the AIFM Regulation; (v) or if in the reasonable opinion of the AIFM, the Portfolio Manager is for any reason no longer qualified or capable of undertaking its functions; (vi) or the AIFM is no longer in a position to give further instruction to the Portfolio Manager; or (vii) the AIFM considers that this is in the interest of Shareholders.

The Portfolio Management Agreement may also be terminated upon 30 days' prior notice from one party to the other party to reasonably preserve against reputational damage caused by the other party to the terminating party.

Termination of the Portfolio Management Agreement and failure to replace the Portfolio Manager with a suitably experienced alternative is likely to have a materially adverse effect on the performance of the Company and the Shares.

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

The Portfolio Manager is not required to commit all of its resources to the Company's affairs. Insofar as the Portfolio 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 per Share and the market price of the Shares.

Potential conflicts of interest of the Portfolio Manager

The Portfolio Manager and its Affiliates also serve and may in the future serve as portfolio manager and/or general partner to various other persons and entities, as well as conduct investment activities for their own accounts (such other entities or accounts, the **"Other Clients"**).

The Portfolio Manager, its Affiliates and other related persons of the Portfolio Manager may have direct or indirect interests in securities being bought or sold on behalf of the Company. In addition, on any given day, securities being bought or sold for the Company may also be simultaneously bought or sold for the Portfolio Manager, its Affiliates, Other Clients or other related persons. Accordingly, the Portfolio Manager, its Affiliates, Other Clients or other related persons may sell or recommend the sale of a particular security for certain accounts, including accounts in which they have an interest, and the Portfolio Manager, its Affiliates, Other Clients or other related persons may buy or recommend the purchase of such security for other accounts, including accounts in which they have an interest, and, thus, transactions in particular accounts may not be consistent with transactions in other accounts or with the recommendations of the Portfolio Manager, its Affiliates, Other Clients or other related persons. It is therefore possible that the value of a security bought on behalf of the Company may decrease if another account advised by the Portfolio Manager, its Affiliates or related persons subsequently sells or shorts the same security. Furthermore, some of the accounts that the Portfolio Manager, its Affiliates and other related persons manage, may have compensation arrangements that differ from those of the Company. Different compensation arrangements may incentivise the Portfolio Manager to make investment decisions with respect to Other Clients whose accounts it manages that may have a detrimental effect on the value of the securities held by the Company.

The Portfolio Manager may have a conflict of interest when allocating investment opportunities between the Company and the Other Clients. However, when making investments where a conflict of interest may arise, the Portfolio Manager will endeavour to act in a fair and equitable manner as between the Company and the Other Clients. The Portfolio Manager, in allocating investment opportunities between the Company and Other Clients, will take into account various factors, including, without limitation, available resources of each client (including the Company), risk appetite, withdrawal history and liquidity needs.

The Portfolio Manager (and its officers and employees, as applicable) are not required to devote any specific amount of time to the Company and may devote a substantial amount of time to business activities other than managing the Company's portfolio

The Portfolio Manager (or its members, employees and Affiliates, as applicable) may give advice or take action with respect to the Other Clients that differs from the advice given with respect to the Company. To the extent a particular investment is suitable for both the Company and the Other Clients, such investments will be allocated between the Company and the Other Clients pro rata based on assets under management or in some other manner which the Portfolio Manager determines is fair and equitable under the circumstances to all clients, including the Company. From the standpoint of the Company, simultaneous identical portfolio transactions for the Company and the Other Clients may tend to decrease the prices received, and increase the prices required to be paid, by the Company for its portfolio sales and purchases. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favourable price, the shares purchased will be allocated among the Company and the Other Clients in an equitable manner as determined by the Portfolio Manager.

The Portfolio Manager and the Company have adopted compliance policies and procedures that are designed to address the various conflicts of interest that may arise for the Portfolio Manager and their staff members. However, there is no guarantee that such policies and procedures will be able to detect and prevent every situation in which an actual or potential conflict may arise.

RISKS RELATING TO THE SHARES

Associated Capital Group, Inc. is expected to own at Admission, and may retain in the medium or long term, a significant interest in the Company and, given the relationship between ACG and the Portfolio Manager, their interest will conflict with those of other Shareholders in certain circumstances

Associated Capital Group, Inc. ("ACG") expects to invest in the Placing, up to a maximum US\$70 million, such that it may own up to 64.9 per cent. of the total issued share capital of the Company at Admission. The precise shareholding of ACG would depend on the outcome of the Placing as a whole. ACG is an Affiliate of the Portfolio Manager. In addition to any influence acquired through its relationship with the Portfolio Manager, ACG may be in a position to influence through the votes attaching to their shareholdings the outcome of matters relating to the Company, including approval of significant changes such as a change to the investment policy or the appointment or removal of Directors (save to the extent any of their voting rights are diluted with respect to any Director Resolution as a result of being a Non-Certifying Shareholder). Given the relationship of ACG with the Portfolio Manager, the interests of these Shareholders will be different from and will, to that extent, conflict with the interests of the other Shareholders on matters that affect the position of the Portfolio Manager. In particular, this potential control may have the effect of making certain transactions more difficult to implement without the support of ACG, and may have the effect of delaying or preventing decision making on significant matters relating to the Company. To the extent that ACG's interests conflict with those of the other Shareholders, they may have a material adverse effect on the value of the Shares, the performance of the Company and the Company's returns to Shareholders.

Investing in the Shares may involve a high degree of risk

Market conditions, or significant changes thereto, may adversely impact the Company's ability to achieve its investment objective and pursue its investment policy successfully and the market price of the Shares may fluctuate significantly, particularly in the short term. Potential investors should not regard an investment in the Shares as a short-term investment. Investors may not recover the full amount initially invested, or any amount at all.

As with any investment, the share price of the Shares may fall in value with the maximum loss on such investments being equal to the value of the initial investment and, where relevant, any gains or subsequent investments made.

The Shares may trade at a discount to Net Asset Value and there is no guarantee that any discount management mechanism will be implemented or, if implemented, be successful

The price at which the Shares trade will likely not be the same as their Net Asset Value (although

they are related). The shares of investment trusts have a tendency to trade at a discount to their net asset value and the Shares could in future trade at a discount to their Net Asset Value for a variety of reasons, including due to market conditions or an imbalance between supply and demand for the Shares. The Directors may seek to mitigate any discount to NAV per Share through such discount management mechanisms as they consider appropriate.

The Company has the ability to make tender offers for Shares and to make market purchases of Shares. Any such tender offers or market purchases will be made entirely at the discretion of the Board (save in the case of the Fifth Anniversary Tender Offer) and will be subject to prior Shareholder approval and the provisions of the rules of any stock exchange on which the Shares are listed. Shareholders will not (save in the case of the Fifth Anniversary Tender Offer) have any ability to require the Company to make any tender offers for, or market purchases of, all or any part of their holdings of Shares. Consequently, Shareholders should not expect to be able to realise their Shares at a price reflecting their underlying Net Asset Value.

Where the market price of an ordinary share trades at a discount equal to or in excess of 7.5 per cent. of the Net Asset Value per ordinary share (of the relevant class) at any time, the Board will consider implementing a share buy-back programme to assist in seeking to limit discount volatility and potentially providing an additional source of liquidity. Whilst the implementation of any such share buy-back programme is entirely at the discretion of the Board, in the event that the Company consistently employs this repurchase programme, it may invite arbitrageurs to enter and exit the Shares in order to benefit from Share repurchases. This may result in the market price of the Shares further diverging from the Net Asset Value per Share.

There can be no guarantee that the Directors will implement any discount control mechanisms, such as the tender offer and market purchase mechanisms described above, or that such mechanisms will be successful. Furthermore, any repurchases of Shares, whether in the market or in connection with a tender offer, will be subject to the Company having all necessary shareholder approvals and sufficient distributable reserves and otherwise being able to comply with all legal and regulatory requirements in respect of such Share repurchases and will be conditional on ACG not being required to make a mandatory offer for Shares pursuant to Rule 9 of the Takeover Code as a result of such Share repurchases. Consequently, investors disposing of their interests in the secondary market may realise returns that are lower than they would have if an amount equivalent to the Net Asset Value were distributed by the Company.

The price that can be realised for Shares can be subject to market fluctuations

Potential investors should not regard an investment in the Shares as a short-term investment. Shareholders may not recover the full amount initially invested, or any amount at all. The market price of the Shares may fluctuate significantly and Shareholders may not be able to sell their Shares at or above the price at which they purchased them. Factors that may cause the price of the Shares to vary include those detailed in the risk disclosures made in this Prospectus, such as: changes in the Company's financial performance and prospects, or in the financial performance and market prospects of the Company's assets or those which are engaged in businesses that are similar to the Company's business; the termination of the Portfolio Management Agreement or the departure of some or all of the Portfolio Manager's key investment professionals; changes in or new interpretations or applications of laws and regulations that are applicable to the Company's business or to the companies in which the Company makes investments; sales of Shares by Shareholders; general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events; poor performance in any of the Portfolio Manager's activities or any event that affects the Portfolio Manager's reputation; and speculation in the press or investment community regarding the Company's business or assets or factors or events that may directly or indirectly affect the Company's business or assets.

Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance or fundamentals of particular companies. Market fluctuations may adversely affect the trading price of the Shares. Furthermore, potential investors should be aware that a liquid secondary market in the Shares cannot be assured.

As with any investment, the share price of the Shares may fall in value with the maximum loss on such investments being equal to the value of the initial investment and, where relevant, any gains

or subsequent investments made.

Performance fee could be paid on unrealised gains which may never be realised

The Performance Fee, if any, payable to the Portfolio Manager, is based on the Net Asset Value per Share which includes net realised and net unrealised gains and losses as on each date on which the Net Asset Value per Share is calculated. Accordingly, Performance Fee could be paid on unrealised gains which may never be realised.

There may not be a liquid market in the Shares and Shareholders have no right to have their Shares redeemed or repurchased by the Company

Admission should not be taken as implying that there will be an active and liquid market for the Shares. The number of Shares to be issued pursuant to the Placing is not yet known and there may, on Admission, be a limited number of holders of such Shares. Furthermore, the existence of the Loyalty Register and the related loyalty voting structure and eligibility criteria for participation in the Fifth Anniversary Tender Offer, may incentivise Shareholders not to trade their Shares. Limited numbers and/or holders of such Shares (and/or limited numbers of Shareholders willing to trade their 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; (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 is a closed-ended investment company and Shareholders therefore have no right to have their Shares redeemed or repurchased by the Company.

The Company may issue additional securities that dilute existing Shareholders

Subject to applicable laws and regulations, the Company may issue additional shares (including Shares). Any additional issuances by the Company, or the possibility of such issue, may cause the market price of the existing Shares to decline and the relative voting percentages of existing Shareholders may, to the extent they do not participate pro rata in the further issues, also be diluted by such further issues of Shares. Furthermore, new Shares may, at the Board's discretion, be issued non-pre-emptively at a price which (after costs and expenses) is less than the Net Asset Value per existing Share at the time of issue of the new Shares, which would reduce the Net Asset Value per Share of any Shares held by Shareholders immediately prior to such issue.

There can be no guarantee that once the Shares are listed on a stock exchange they will remain listed or that the conditions of listing will not change.

Trading in Shares on a stock exchange may be halted due to market conditions or, because in the stock exchange's view, trading the Shares is inadvisable. In addition, trading in the Shares may be subject to a halt in trading caused by extraordinary market volatility pursuant to the stock exchange's rules. If trading on a stock exchange is halted, investors in Shares may not be able to sell their Shares until trading resumes. Although, where applicable, the Shares are listed on a stock exchange, it may be that the principal market for some Shares may be in the over-the-counter market. The existence of a liquid trading market for the Shares may in such case depend on whether broker-dealers will make a market in such Shares.

Although as a condition precedent to listing on certain stock exchanges one or more market makers, being financial institutions, might be appointed to offer prices for the Shares, there can be no assurance that a market will continually be made for any of the Shares or that such market will be or remain liquid. The price at which Shares may be sold will be adversely affected if trading markets for the Shares are limited or absent.

Securities quoted on the Specialist Fund Segment may have limited liquidity and may experience higher volatility and carry greater risks than those listed on the Premium Segment of the London Stock Exchange's Main Market

Investment in shares traded on the Specialist Fund Segment may have limited liquidity and may experience greater price volatility than shares listed on the Premium Segment of the London Stock Exchange's Main Market. Limited liquidity and high price volatility may result in Shareholders being unable to sell their Shares at a price that would result in them recovering their original investment.

The Company may need to sell assets in order to complete tender offers or repurchase Shares

As described in paragraph 9 of Part I (The Company) of this Prospectus, the Company will consider using Share buy-backs to seek to assist in limiting discount volatility and potentially providing an additional source of liquidity, if and when the ordinary shares trade at a level which makes their repurchase attractive. In addition, as described in paragraph 7 of Part I (The Company) of this Prospectus, the Company will, subject to being able to comply with all legal and regulatory requirements, implement the Fifth Anniversary Tender Offer in respect of certain Qualifying Shares.

Any acquisition of Shares by the Company, including in connection with the Fifth Anniversary Tender Offer, would decrease the managed assets of the Company and therefore tend to have the effect of increasing the Company's gross expense ratio. The Portfolio Manager does not anticipate that repurchases of Shares will interfere with the ability of the Company to manage its investments in order to seek its investment objective, and does not anticipate any material difficulty in using cash on hand or disposing of portfolio securities to consummate repurchases, although no assurance can be given that this will be the case. It is possible that the Portfolio Manager may need to sell portfolio securities at inopportune times when independent investment considerations might dictate otherwise in order to fund any tender offer for, or repurchase of, Shares, or to raise cash so that the Company will be able to comply with relevant leverage restrictions. These sales may result in losses for the Company and increased portfolio turnover (together with the consequent transaction expenses thereof). Any consequent increase or reduction in the Company's leverage ratio could have an adverse impact on the Company's remaining Shareholders. Thus, any repurchases of Shares (in connection with a tender offer or otherwise) and consequent reduction in the Company's outstanding leverage will reduce the total assets of the Company available for investment and, as described above, likely increase the Company's expense ratio and result in additional transaction expenses related to portfolio turnover. If the Company were to repurchase Shares for a price below Net Asset Value per Share, the Net Asset Value per Share for Shares that remain outstanding will be enhanced, but this does not necessarily mean that the market price of the outstanding Shares will be affected, either positively or negatively.

In addition, any repurchases of Shares (in connection with a tender offer or otherwise) would also reduce the supply of Shares available for trading in the secondary market for the Shares and, if such repurchases or tender offers resulted in a material reduction in the number of Shares issued and outstanding, could have a material adverse effect on the liquidity of the Shares and a Shareholder's ability to dispose of their Shares in the secondary market.

A Shareholder is subject to the risk that the Registrar will not properly record the duration of their shareholding and therefore, they may not be able to exercise all of their rights as a Shareholder

In order for a Registered Shareholder to be entitled to subscribe for Special Voting Loyalty Shares pursuant to the arrangements described in paragraphs 6 and 7 of Part I (The Company) of this Prospectus, the Registered Shareholder must have been identified by the Registrar as being entered into the Loyalty Register in respect of Shares for a continuous period of five years. Similarly, in order to be eligible to participate in the Fifth Anniversary Tender Offer, a Registered Shareholder must qualify as a Qualifying Registered Shareholder in respect of Qualifying Shares, which requires a Registered Shareholder to be entered into the Loyalty Register on Admission in respect of Shares, and to remain on the Loyalty Register in respect of some or all of such Shares until the making of the Fifth Anniversary Tender Offer. In the event that the Registered Shareholder does not properly follow the procedures for being entered into the Loyalty Register, the Registrar fails to properly record the Shares in the Loyalty Register or fails to properly account for the time period for which such Shares have been held by such Registered Shareholder, then such Registered Shareholder may not be able to subscribe for Special Voting Loyalty Shares or participate in the Fifth Anniversary Tender Offer.

Shareholders who are not on the Loyalty Register may have their voting rights diluted if eligible Shareholders exercise their right to subscribe for Special Voting Loyalty Shares

The Company has implemented a Loyalty Programme to incentivise long-term ownership of Shares

(as further described in paragraph 6 of Part I (The Company) of this Prospectus). Registered Shareholders who hold Shares for a continuous period of five consecutive years will be entitled to subscribe for one Special Voting Loyalty Share for each such Share they hold, effectively giving such Registered Shareholders two votes per such Share they hold. Shareholders who are not on the Loyalty Register and who are not entitled to subscribe for Special Voting Loyalty Shares will have their voting rights diluted if eligible Registered Shareholders take up their rights to subscribe for Special Voting Loyalty Shares. It is uncertain how many Registered Shareholders will be eligible at any time and whether such Registered Shareholders will subscribe for Special Voting Loyalty Shares and therefore any dilution to Shareholders' voting rights cannot currently be quantified.

The Company's ability to implement its Loyalty Programme voting structure is subject to removal by the Shareholders

The Company's ability to implement its Loyalty Programme voting structure and to issue Special Voting Loyalty Shares is contained in the Articles. As the Articles may be amended by a special resolution of Shareholders (subject, once any Special Voting Loyalty Shares have been issued, to any necessary consents of holders of such Special Voting Loyalty Shares to any variation to the class rights attaching to such Special Voting Loyalty Shares), there is no guarantee that the Company will be able to implement its Loyalty Programme voting structure.

Implementation of the Fifth Anniversary Tender Offer is subject to compliance with all applicable legal and regulatory requirements (including having all necessary Shareholder approvals and sufficient distributable profits)

Implementation of the Fifth Anniversary Tender Offer is subject to the Company's being able to comply with all legal and regulatory requirements in connection therewith. In particular, implementation of the Fifth Anniversary Tender Offer is conditional on the Company having sufficient distributable profits at the relevant time and the necessary Shareholder authorities having been obtained. Whilst it is expected that shareholder authority to repurchase Shares pursuant to the Fifth Anniversary Tender Offer will be granted by special resolution passed shortly before Admission by the Initial Shareholder, such authority may be revoked by a subsequent Shareholder resolution. Furthermore, implementation of the Fifth Anniversary Tender Offer is conditional on ACG or any other entity not being required to make a mandatory offer for ordinary shares of the Company pursuant to Rule 9 of the Takeover Code as a result of implementing the Fifth Anniversary Tender Offer and on the Company continuing to satisfy the requirements for qualifying as an investment trust following its implementation.

RISKS RELATING TO REGULATION AND TAXATION

Changes in laws or regulations governing the Company's or the Portfolio Manager's operations may adversely affect the business and performance of the Company

The Company, the AIFM and the Portfolio Manager are subject to laws and regulations enacted by national and local governments.

The Company is subject to, and will be required to comply with, certain legal and regulatory requirements that are applicable to UK investment trusts. The Company is subject also to the continuing obligations imposed on all investment companies whose shares are admitted to trading on the Specialist Fund Segment and the TISE.

The AIFM is subject to, and will be required to comply with, certain legal and regulatory requirements that are applicable to an alternative investment fund manager under the AIFM Directive, which will affect the portfolio and risk management of the Company.

The Portfolio Manager is subject to, and will be required to comply with, certain regulatory requirements of the SEC, some of which affect the investment management of the Company.

The laws and regulations affecting the Company, the AIFM and the Portfolio Manager are evolving and any changes in such laws and regulations may have an adverse effect on the ability of the Company, the AIFM or the Portfolio Manager to carry on their respective businesses. Any such changes may have an adverse effect on the ability of the Company to pursue its investment policy, and may adversely affect the Company's business, financial condition, prospects, results of operations, Net Asset Value and/or the market price of the Shares. In such event, the performance

of the Company may be materially affected.

A United Kingdom exit from the European Union could impact the Company's future fund raises and the liquidity of the Shares

The outcome of the United Kingdom referendum of 23 June 2016 was a vote to leave the European Union. Whilst there is uncertainty regarding the form that the United Kingdom's exit from the European Union will take, including with respect to timing and transitional arrangements, the Prime Minister of the United Kingdom, Theresa May, has stated that Her Majesty's Government is committed to implementing the result of the referendum.

The result of the referendum has created significant political, social and macro-economic uncertainty, which may have a prolonged and significant adverse impact on the United Kingdom and the market for the Company's Shares within the EU. In addition, depending on the form that the United Kingdom's exit from the European Union takes, it may result in significant changes to law and regulation in the UK and have a significant impact on UK trade with the EU and the rest of the world.

It is not currently possible to assess the effect of these changes on the Company or the position of the Shareholders, but the Company believes that the key risk is the possible loss of the AIFM's ability to market Shares into the EEA on the basis of a right to "passport" into that EEA State pursuant to the AIFM Directive. In such circumstances, this could have a material adverse effect on the liquidity of the Shares, a Shareholder's ability to dispose of their Shares in the secondary market and the Company's future fund raises. Although impact of the UK's exit from the European Union on the Company is currently unknown, the Directors will act in the best interests of the Shareholders to mitigate any negative effects of the UK's exit from the European Union. Such actions may have potential tax implications for Shareholders.

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

Any change in the Company's tax status, or in taxation legislation or practice in the UK, the US, Italy or elsewhere, could affect the value of the investments and the Company's ability to achieve its investment objective, or alter the post-tax returns to Shareholders. Statements in this Prospectus concerning the taxation of the Company and taxation of Shareholders are based upon current UK tax law and published practice, any aspect of which is, in principle, subject to change that could adversely affect the ability of the Company to successfully pursue its investment policy and/or which could adversely affect the taxation of the Company and the Shareholders.

It is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions for approval of the Company by HMRC as an investment trust under section 1158 of the Corporation Tax Act 2010 (as amended) and pursuant to regulations made under section 1159 of the Corporation Tax Act 2010. However, although the approval has been obtained (conditional on initial Admission), neither the Portfolio Manager nor the Directors can guarantee that this approval will be maintained at all times. The Company will be treated as an investment trust during the accounting period current as at the time the application is made, and will continue to have investment trust status in each subsequent accounting period, unless the Company fails to meet the requirements to maintain investment trust status so as to be treated as no longer approved by HMRC as an investment trust, pursuant to the regulations. For example, it is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain investment trust status, as the Shares are freely transferable. Failure to maintain investment trust status could, as a result, (*inter alia*) lead to the Company being subject to UK tax on its chargeable gains.

Potential investors should consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Company.

The implementation of the Solvency II Directive

On 25 November 2009, Directive 2009/138/EC (the "**Solvency II Directive**") was published in the Official Journal. It has since been extensively amended by the Omnibus II Directive, 2014/51/EU. The Solvency II regime came into force on 1 January 2016. Solvency II revises the regulation and

authorisation of insurance and reinsurance companies. The Solvency II Directive sets out new requirements on, among other things, capital adequacy and risk management for insurers or reinsurers. The Solvency II Directive does not restrict the ability of insurers or reinsurers authorised in the EU to invest in investment companies such as the Company. It does, however, provide for a capital charge to be applied to assets held by an insurer or reinsurer. The capital charge to be applied to an asset will depend on the risks presented by that asset. To the extent that, as a result of the implementation of the Solvency II Directive, insurers or reinsurers are discouraged from acquiring the Shares, this could have an adverse effect on the trading price and/or liquidity of the Shares.

The Company has taken certain steps to help maintain its status as a foreign private issuer which could result, in certain circumstances, in the dilution of the voting power of Shares held by US residents and materially adversely affect the trading price and liquidity of the Shares

Pursuant to the Placing, the Company expects to issue a substantial number of Shares to the Portfolio Manager and/or its Affiliates, who are or may be residents of the United States. Accordingly, the proportion of the Shares held by US residents could be significant at Admission and such proportion could increase in subsequent secondary market trading. As the Portfolio Manager is based in the United States, the Company could lose its status as a "foreign private issuer" under the Securities Act and the Exchange Act if US residents come to control more than 50 per cent. of the voting power attached to the Shares with regard to the appointment and removal of directors. If the Company ceases to be a "foreign private issuer", this could have materially adverse consequences for the Company – for example, the Company could be required to register with the SEC under the Exchange Act and/or under the Investment Company Act, which would subject the Company to potentially onerous and costly reporting requirements and substantive regulation with which the Company is not currently structured to comply.

The Company intends to conduct its business so far as possible so as to maintain its status as a foreign private issuer. As a result, the Company has taken steps such as imposing limitations on the voting rights attaching to Shares held by US residents and imposing certain restrictions on the ownership and transfer of Shares. Such steps could materially affect the ability of some investors to hold Shares, as well as the trading price and liquidity of the Shares. For further information, please refer to paragraph 5 of Part I (The Company) and paragraphs 8 and 9 of Part V (Issue Arrangements) of this Prospectus.

The Company may directly or indirectly incur US or non-US withholding tax

The Company believes that interest income realised from US sources should be exempt from US withholding tax (or be subject to a reduced rate of US withholding tax) either pursuant to an exemption under the US Tax Code (for example, the portfolio interest exemption) or pursuant to the provisions of the Treaty. As described below, however, the Company's eligibility under the Treaty will depend, among other things, on the Publicly Traded Company Test (as defined below) and the actual trading of the Company's Shares in each calendar year. In addition, there can be no assurance that the IRS (or, where relevant, any withholding agents) could not successfully assert positions contrary to those taken by the Company. If the Company (i) was not treated as the beneficial owner of the relevant US source income received by it or (ii) was not eligible to claim benefits under the Treaty, the Company could be subject to US federal income tax withholding on a gross basis at a rate of 30 per cent. with respect to certain types of income received from US sources, including certain fee income and interest income, to the extent not treated as effectively connected with the conduct of a US trade or business. In addition, the Company may incur withholding tax with respect to income realised in any state or local, or non-US jurisdiction.

Such withholding taxes, if any, would be expected to be incurred at the Company level and could have a material adverse effect on the performance of the Company and the Company's returns to Shareholders.

Shareholders may be subject to withholding and forced transfers under FATCA and there may also be reporting of Shareholders under other exchange of information agreements

FATCA imposes certain information reporting requirements on a foreign financial institution ("FFI") or other non-US entity and, in certain cases, US federal withholding tax on certain US source

payments and gross proceeds from a sale of assets generating US source payments. The Company is likely to be considered an FFI, and will therefore have to comply with certain registration and reporting requirements in order not to be subject to US withholding tax under FATCA. In addition, the Company may be required to withhold US tax at the rate of 30 per cent. on "withholdable payments" or, after 31 December 2018, certain "foreign passthru payments", to persons that are not compliant with FATCA or that do not provide the necessary information or documents, to the extent such payments are treated as attributable to certain US source payments.

There can be no assurance that any payments in respect of the Shares will not be subject to withholding tax under FATCA. To the extent that such withholding tax applies, the Company is not required to pay any additional amounts. Accordingly, all prospective US and non-US Shareholders should consult their own tax advisers about the effect of FATCA on an investment in the Shares.

In addition to requirements under FATCA, the Organisation for Economic Co-operation and Development has developed a new global standard for the automatic exchange of financial information between tax authorities (the "**Common Reporting Standard**"). The Common Reporting Standard has been implemented in the EU through the Revised Directive on Administrative Co-Operation (Council Directive 2014/107/EU). The United Kingdom is a signatory jurisdiction to the Common Reporting Standard and intends to conduct its first exchange of information with tax authorities of other signatory jurisdictions in September 2017. While the Common Reporting Standard has been implemented in the United Kingdom, detailed guidance on the requirements remains outstanding. The requirements may impose additional burdens and costs on the Company or Shareholders. Although the Company will attempt to satisfy any obligations imposed on it by the Common Reporting Standards, no assurance can be given that it will be able to satisfy such obligations. Implementation of the Common Reporting Standard may require the Company to conduct additional due diligence and report upon accounts held with it by Shareholders who are reportable persons in other participating jurisdictions. The Company may require certain additional financial information from Shareholders to comply with its diligence and reporting obligations under the Common Reporting Standard. Failure by the Company to comply with the obligations under the Common Reporting Standard may result in fines being imposed on the Company and in such event, the target returns of the Company may be materially and adversely affected.

The Company may be regarded as a "covered fund" under the Volcker Rule. Any prospective investor that is or may be considered a "banking entity" under the Volcker Rule should consult its legal advisers regarding the potential impact of the Volcker Rule on its investments and other activities prior to making any investment decision with respect to the Shares or entering into other relationships or transactions with the Company

Section 13 of the US Bank Holding Company Act of 1956, as amended, and Regulation VV (12 C.F.R. Section 248) promulgated thereunder by the Board of Governors of the Federal Reserve System (such statutory provision together with such implementing regulations, the "**Volcker Rule**"), generally prohibits "banking entities" (which term is broadly defined to include any US bank or savings association whose deposits are insured by the Federal Deposit Insurance Corporation, any company that controls any such bank or savings association, any non-US bank treated as a bank holding company for purposes of Section 8 of the US International Banking Act of 1978, as amended, and any affiliate or subsidiary of any of the foregoing entities) from: (i) engaging in proprietary trading as defined in the Volcker Rule; (ii) acquiring or retaining an "ownership interest" in, or "sponsoring", a "covered fund"; and (iii) entering into certain other relationships or transactions with a "covered fund".

As the Company may be regarded as a "covered fund" under the Volcker Rule, any prospective investor that is or may be considered a "banking entity" under the Volcker Rule should consult its legal advisers regarding the potential impact of the Volcker Rule on its investments and other activities, prior to making any investment decision with respect to the Shares or entering into other relationships or transactions with the Company. If the Volcker Rule applies to an investor's ownership of Shares, the investor may be forced to sell its Shares or the continued ownership of Shares may be subject to certain restrictions.

The Company has not, does not intend to become and may be unable to become registered as an investment company under the Investment Company Act

The Company has not, does not intend to become and may be unable to become registered with the SEC as an "investment company" under the Investment Company Act and related rules which provide certain protections to investors and impose certain restrictions on companies that are registered as investment companies. As the Company is not so registered, does not intend to so register and may be unable to so register, none of these protections or restrictions is or will be applicable to the Company. However, if the Company were to become subject to the Investment Company Act because of a change of law or otherwise, the various restrictions imposed by the Investment Company Act, and the substantial costs and burdens of compliance therewith, could adversely affect the operating results and financial performance of the Company. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity and shareholders in that entity may be entitled to withdraw their investment. In order to ensure compliance with the exemptions that permit the Company to avoid being required to register as an investment company under the Investment Company Act and related rules, the Company has implemented restrictions on the ownership and transfer of Shares, which may materially affect an investor's ability to hold or transfer Shares and may in certain circumstances require the investor to transfer or sell its Shares. For further information, please refer to the paragraphs 8 and 9 of Part V (Issue Arrangements) of this Prospectus.

The ability of certain persons to hold Shares and make secondary transfers in the future may be restricted as a result of ERISA and other regulatory considerations

Each initial purchaser and subsequent transferee of Shares will be required to represent and warrant or will be deemed to represent and warrant that it is not a "benefit plan investor" (as defined in Section 3(42) of ERISA), and that it is not, and is not using assets of, a plan or other arrangement subject to provisions under applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the US Tax Code unless its purchase, holding and disposition of Shares does not constitute or result in a non-exempt violation of ERISA, Section 4975 of the US Tax Code or any such substantially similar law.

Under the Articles, the Board has the power to require the sale or transfer of Shares, or refuse to register a transfer of Shares, in respect of any Non-Qualified Holder. In addition, the Board may require the sale or transfer of Shares held or beneficially owned by any person who refuses to provide information or documentation to the Company which results in the Company suffering US tax withholding charges. Prospective investors should refer to paragraph 6 of Part VII (Additional Information on the Company) of this Prospectus for further information.

IMPORTANT NOTICES

Prospective investors should rely only on the information contained in this Prospectus and any supplementary prospectus published by the Company prior to the date of Admission. No person has been authorised to give any information or to make any representation other than those contained in this Prospectus (or any supplementary prospectus published by the Company prior to the date of Admission) in connection with the Placing and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company, the AIFM, the Portfolio Manager or any of their respective Affiliates, officers, directors, employees or agents. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G(1) of FSMA, neither the delivery of this Prospectus nor any subscription or sale made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained in this Prospectus is correct as of any time subsequent to its date.

The contents of this Prospectus or any subsequent communications from the Company, the AIFM, the Portfolio Manager or any of their respective Affiliates, officers, directors, employees or agents are not to be construed as legal, business or tax advice. Each prospective investor should consult their own solicitor, financial adviser or tax adviser for legal, financial or tax advice in relation to the purchase of Shares.

Apart from the liabilities and responsibilities (if any) which may be imposed on a Distributor by the relevant regulatory regime, no Distributor makes any representations, express or implied, or accept any responsibility whatsoever for the contents of this Prospectus (or any supplementary prospectus published by the Company prior to the date of Admission) or for any other statement made or purported to be made by it or on its in connection with the Company, the AIFM, Portfolio Manager, the Shares, the Placing or Admission. The Distributors and their delegates accordingly disclaim all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it or they might otherwise have in respect of this Prospectus, any such supplementary prospectus or any such statement.

In connection with the Placing, any Distributor or its Affiliates acting as investor(s) for its (or their) own account(s), may acquire 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 other related investments in connection with the Placing or otherwise. Accordingly, references in this Prospectus to the Shares being issued, offered, acquired, subscribed or otherwise dealt with, should be read as including any issue or offer to, acquisition of, or subscription or dealing by, any Distributor or its Affiliates acting as investor(s) for its (or their) own account(s). Neither any Distributor nor any of its Affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

An investment in the Shares should only be made as part of a diversified investment portfolio. The Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. Investors in the Company are expected to be institutional investors, professional investors, professionally advised investors and highly knowledgeable investors who understand, or who have been advised of, the potential risks from investing in the Company. It should be remembered that the price of the Shares and the income from them can go down as well as up.

The Shares are designed to be held over the long-term and may not be suitable as short-term investments. There is no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment. Any investment objective of, and dividends or returns proposed by, the Company are targets only and should not be treated as an assurance or guarantee of performance. There can be no assurance that the Company's investment objective will be achieved or that the proposed dividends or returns will be paid.

A prospective investor should be aware that the value of an investment in the Company is subject to market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of the Shares will occur or that the investment objective of, or the dividends or returns proposed by, the Company will be achieved or paid. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company. Prospective investors should carefully review the "Risk Factors" section of this Prospectus before making an investment decision.

General

Prospective investors should rely only on the information contained in this Prospectus and any supplementary prospectus published by the Company prior to Admission of the Shares. No broker, dealer or other person has been authorised by the Company, the Board or any Director, the AIFM or the Portfolio Manager to issue any advertisement or to give any information or to make any representation in connection with the Placing other than those contained in this Prospectus or any supplementary prospectus published by the Company prior to Admission and, if issued, given or made, any such advertisement, information or representation must not be relied upon as having been authorised by the Company, the Board or any Director, the AIFM or the Portfolio Manager.

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

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

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

Selling Restrictions

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

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of Shares and the distribution of this Prospectus under the laws and regulations of any jurisdiction relevant to them in connection with any proposed applications for Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction.

Save for the United Kingdom and save as explicitly stated elsewhere in this Prospectus, no action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus in any other jurisdiction where action for that purpose is required.

Notice to prospective investors regarding United States federal securities laws

The Company has not been and will not be registered under the Investment Company Act and, as such, investors will not be entitled to the benefits of the Investment Company Act. The Shares have not been and will not be registered under the Securities Act and may not be offered, sold, resold, pledged, transferred or delivered, directly or indirectly, into or within the United States or to, or for

the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the Investment Company Act.

In connection with the Placing, subject to certain exceptions, offers and sales of the Shares will be made only outside the United States in "offshore transactions" to non-US Persons pursuant to Regulation S under the Securities Act. There will be no public offer of the Shares in the United States.

The Shares may not be acquired by: (i) investors using assets of: (A) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (B) a "plan" as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (C) an entity whose underlying assets are considered to include "plan assets" by reason of investment by an "employee benefit plan" or "plan" described in preceding clause (A) or (B) in such entity pursuant to the US Plan Assets Regulations; or (ii) a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, unless its purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of ERISA, Section 4975 of the US Tax Code or any such substantially similar law. Each investor acquiring Shares including in any secondary transactions on the Specialist Fund Segment or the TISE shall be deemed by such acquisition to represent that it is not a Benefit Plan Investor.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations and under the Articles. Any failure to comply with such restrictions may constitute a violation of applicable securities laws and may subject the holder to the forced transfer provisions set out in the Articles. For further information on restrictions on transfers of the Shares, please refer to paragraphs 8 and 9 of Part V (Issue Arrangements) of this Prospectus.

Notice to prospective investors in the EEA

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), no Shares have been offered or will be offered pursuant to the Placing to the public in that Relevant Member State prior to the publication of a Prospectus 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 Directive 2010/73/EU (the "**2010 PD Amending Directive**"), 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 Prospectus 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 Placing will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1) of the Prospectus Directive / Section 86(7) of the Financial Services and Markets Act 2000.

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 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.

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

AIFM Directive

The AIFM Directive imposes conditions on the marketing of entities such as the Company to investors in the EEA. The AIFM Directive requires that an 'alternative investment fund manager' be identified to meet such conditions where such marketing is sought. For these purposes, Carne Global Fund Managers (Ireland) Limited (the "**AIFM**"), as the legal person responsible for performing portfolio and risk management, is the 'alternative investment fund manager'.

Notwithstanding any other statement in this Prospectus, this Prospectus should also not be made available to any investor domiciled in the EEA in any EEA State unless the AIFM has confirmed that it is able to market Shares into that EEA State on the basis of a right to "passport" into that EEA State pursuant to the AIFM Directive. Investors domiciled in the EEA that have received this Prospectus in any EEA State in respect of which such conditions have not been satisfied should not subscribe for Shares (and the Company reserves the right to reject any applications so made, without explanation) unless such investors have received this Prospectus on the basis of an enquiry made at the investor's own initiative.

Notwithstanding that the AIFM may have confirmed that it is able to market Shares to professional investors in an EEA State, the Shares may not be marketed to retail investors (as this term is defined in the AIFM Directive as transposed in the relevant EEA State) in that EEA State unless the Shares have been qualified for marketing to retail investors in that EEA State in accordance with applicable local laws.

Notice to prospective investors in Italy

Subject to the accomplishment of the procedure set forth under Article 28-quater of Regolamento Emittenti in order to be marketed in Italy to Professional Investors under Italian Law, no Shares may be offered, sold or delivered, nor may copies of this Prospectus or any other document relating to the Shares be distributed in the Republic of Italy, except to "professional clients" under Italian law, as defined under Article 26 paragraph 1, letter d) of the Regolamento Intermediari and "selected investors", being any investor subscribing for and/or acquiring Shares of the Company in Italy, to the extent permitted under applicable law, for a minimum overall amount in the US Dollar of at least EUR 500,000.

Any offer, sale or delivery of the Shares in the Republic of Italy or distribution of copies of this Prospectus or any other document relating to the Shares in the Republic of Italy under the above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Legislative Decree 24 February 1998, no. 58 (as from time to time amended and supplemented), Regolamento Intermediari and Legislative Decree No. 385 of 1 September 1993 (as from time to time amended and supplemented); and
- (B) in compliance with any other applicable laws and regulations.

Notice to prospective investors in Switzerland

This Prospectus may only be freely circulated and Shares in the Company may only be freely offered, distributed or sold to regulated financial intermediaries such as banks, securities dealers, fund management companies, asset managers of collective investment schemes and central banks as well as to regulated insurance companies. Circulating this Prospectus and offering, distributing or selling Shares in the Company to other persons or entities including qualified investors as defined in the Federal Act on Collective Investment Schemes ("**CISA**") and its implementing

Ordinance ("**CISO**") may trigger, in particular, (i) licensing/prudential supervision requirements for the distributor, (ii) a requirement to appoint a representative and paying agent in Switzerland and (iii) the necessity of a written distribution agreement between the representative in Switzerland and the distributor. **Accordingly, legal advice should be sought before providing this Prospectus to and offering, distributing, selling or on-selling Shares of the Company to any other persons or entities.** This Prospectus does not constitute an issuance prospectus pursuant to Articles 652a or 1156 of the Swiss Code of Obligations and may not comply with the information standards required thereunder. The Shares will not be listed on the SIX Swiss Exchange, and consequently, the information presented in this document does not necessarily comply with the information standards set out in the relevant listing rules. The documentation of the Company has not been and will not be approved, and may not be able to be approved, by the Swiss Financial Market Supervisory Authority ("**FINMA**") under the CISA. Therefore, investors do not benefit from protection under the CISA or supervision by the FINMA. This Prospectus does not constitute investment advice. It may only be used by those persons to whom it has been handed out in connection with the Shares and may neither be copied or directly/indirectly distributed or made available to other persons.

Notice to prospective investors in the Bailiwick of Guernsey

This document has not been filed with, or approved by, the Guernsey Financial Services Commission ("**GFSC**") and no authorisations in respect of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the "**POI Law**") have been issued by the GFSC in respect of it. Neither the GFSC nor the States of Guernsey Policy Council takes any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it. This document does not comply with the requirements of Guernsey's Prospectus Rules 2008 on the basis that the Shares in the Company will be admitted to trading on the Specialist Fund Segment for listed securities of the London Stock Exchange Plc: if the Shares are not so admitted, then the document may be required to comply with the requirements of such Prospectus Rules 2008 and may need to be re-drafted in some respects.

This document is directed in the Bailiwick of Guernsey only at the following: (i) those who have specifically solicited this document, where such approach was not itself specifically solicited by any Distributor ("**Requesting Investors**"); or (ii) those holding a licence from the GFSC under any of the following laws: the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, as amended, the Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended or the Regulation of Fiduciaries, Administration Businesses and Company Directors etc. (Bailiwick of Guernsey) Law, 2000, as amended (such persons being "**GFSC Licencees**"). This document must only be distributed to persons who are not either Requesting Investors or GFSC Licencees by a person holding an appropriate licence from the GFSC under the POI Law. This document may not be relied upon by those who are not Requesting Investors or GFSC Licencees, unless it has been distributed to them by a person holding such a licence under the POI Law.

Notice to prospective investors in the Bailiwick of Jersey

The offering of Shares is "valid in the United Kingdom" (within the meaning given to that expression under Article 8(5) of the Control of Borrowing (Jersey) Order 1958 (the "**Jersey COBO**") and is 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. The Company has no "relevant connection with Jersey" for the purposes of Articles 8(7) and 8(8) of the Jersey COBO. Accordingly, the consent of the Jersey Financial Services Commission under Article 8(2) of the Jersey COBO to the circulation of this Prospectus in Jersey is not required and has not been obtained.

Forward-looking statements

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". Forward-looking statements typically can be identified by the use of forward-looking terminology, including, but not limited to, terms such as "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. Such forward-looking statements, which include all matters that are not historical facts, appear in a number of places in this Prospectus and include statements regarding

the intentions, beliefs or current expectations of the Company, the Board or the Portfolio Manager concerning, among other things, the investment objective and investment policy, investment performance, the Company's target returns, results of operations, financial condition, prospects, and dividend policy of the Company and the markets in which it invests and/or operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events, and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, dividends paid and its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the investment performance, results of operations, financial condition of the Company and its financing strategies, are consistent with the forward-looking statements contained in this Prospectus, those results, its condition or strategies may not be indicative of results, its condition or strategies in subsequent periods. Important factors that could cause these differences include, but are not limited to:

- changes in economic conditions generally and the Company's ability to achieve its investment objective and returns on equity for investors;
- the Company's ability to invest the cash on its balance sheet and the Net Proceeds on a timely basis within the investment objective and investment policy;
- foreign exchange mismatches with respect to exposed assets;
- changes in interest rates and/or credit spreads, as well as the success of the Company's investment strategy in relation to such changes and the management of the uninvested proceeds of the Placing;
- impairments in the value of the Company's investments;
- the availability and cost of capital for future investments;
- the departure of key personnel employed by, or seconded to, the Portfolio Manager;
- the failure of the Portfolio Manager to perform its obligations under the Portfolio Management Agreement with the Company or the termination of the Portfolio Management Agreement;
- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the Company; and
- general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Prospective investors should carefully review the "Risk Factors" section of this Prospectus for a discussion of additional factors that could cause the Company's actual results to differ materially from those that the forward-looking statements may give the impression will be achieved, before making an investment decision. Forward-looking statements speak only as at the date of this Prospectus. Although the Company, the AIFM and the Portfolio Manager undertake no obligation to revise or update any forward-looking statements contained herein (save where required by the Prospectus Rules, the AIFM Directive or the Disclosure Guidance and Transparency Rules), whether as a result of new information, future events, conditions or circumstances, any change in the Company's, the AIFM's or the Portfolio Manager's expectations with regard thereto or otherwise, Shareholders are advised to read any communications made directly to them by the Company and/or any additional disclosures in announcements that the Company may make through an RIS.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement contained in paragraph 14 of Part VII (Additional Information on the Company) of this Prospectus.

DATA PROTECTION

The information that a prospective investor in the Company provides in documents in relation to a subscription for Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("**personal data**") will be held and

processed by the Company (and any third party in the United Kingdom to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom. Each prospective investor acknowledges and consents that such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

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

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

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

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

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

No incorporation of website

The contents of the Company's website at www.gabelli.com/mergerplus and any website of the AIFM or the Portfolio Manager or any of their respective Affiliates, the contents of any website accessible from hyperlinks on the Company's website, any website of the AIFM or the Portfolio Manager or any of their respective Affiliates, or any other website referred to in this Prospectus are not incorporated into, and do not form part of this Prospectus. Investors should base their decision to invest on the contents of this Prospectus and any supplementary prospectus published by the Company prior to Admission alone and should consult their professional advisers prior to making an application to acquire Shares.

EXPECTED TIMETABLE

| | |
|---|-------------------------|
| Publication of this Prospectus and commencement of the Placing | 15 June 2017 |
| Latest time and date for placing commitments under the Placing | 5.00 pm on 12 July 2017 |
| Placing closes | 5.00 pm on 14 July 2017 |
| Publication of results of the Placing | 17 July 2017 |
| Admission and dealings in Shares commence | 8.00 am on 19 July 2017 |
| CREST Accounts credited with uncertificated Shares issued in connection with Admission | 19 July 2017 |
| Where applicable, definitive share certificates despatched by post in the week commencing | 31 July 2017 |

Any changes to the expected timetable set out above will be notified by the Company through an RIS, provided that Admission and dealings in Shares shall commence by the Long Stop Date.

References to times are to London times unless otherwise stated.

ISSUE STATISTICS

| | |
|--|------------------|
| Placing Price per Share* | US\$10 |
| Minimum Gross Proceeds** | US\$25 million |
| Minimum Net Proceeds** | US\$24.5 million |
| Maximum Gross Proceeds** | US\$200 million |
| Maximum Net Proceeds** | US\$196 million |
| Expected Net Asset Value per Share on Admission*** | US\$9.80 |

* *The minimum subscription per investor pursuant to the Placing is US\$1,000.*

** *Assuming that the Placing is subscribed as to US\$25 million, being the Minimum Gross Proceeds. The maximum size of the Placing is 20,000,000 Shares.*

*** *The costs of the Placing to be borne by the Company will not exceed 2 per cent. of the Gross Proceeds.*

DEALING CODES

| | |
|--------|--------------|
| ISIN | GB00BD8P0741 |
| SEDOL | BD8P074 |
| Ticker | GMP |

DIRECTORS, ADVISERS AND OTHER SERVICE PROVIDERS

| | |
|--|--|
| Directors | Marc Gabelli (Chairman) Marco Maria Bianconi John Birch Kuni Nakamura Paolo Vicinelli Yuji Sugimoto |
| Registered Office | 64 St. James's Street, London, SW1A 1NF United Kingdom |
| AIFM | Carne Global Fund Managers (Ireland) Limited 2 nd Floor, Block E Iveagh Court, Harcourt Road Dublin 2 Ireland |
| Portfolio Manager | Gabelli Funds, LLC One Corporate Center Rye, NY 10580-1422 United States |
| Depository | State Street Trustees Limited 20 Churchill Place, London, E14 5HJ United Kingdom |
| Custodian | State Street Bank and Trust Company, London Branch 20 Churchill Place, London E14 5HJ United Kingdom |
| Legal advisers to the Company (as to English law & US Securities law) | Herbert Smith Freehills LLP Exchange House, Primrose Street, London, EC2A 2EG United Kingdom |
| Company Secretary | Maitland Administration Services Ltd. Springfield Lodge, Colchester Road, Chelmsford, CM2 5PW United Kingdom |
| Administrator | State Street Bank and Trust Company, London Branch 20 Churchill Place, London, E14 5HJ United Kingdom |
| Registrar and Receiving Agent | Computershare Investor Services Plc The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ United Kingdom |

Auditor

PricewaterhouseCoopers LLP
7 More London Riverside,
London, SE1 2RT
United Kingdom

TISE Sponsor

Heritage Corporate Services Limited
PO Box 225, Le Marchant Street,
St Peter Port, Guernsey GY1 4HY
Channel Islands

PART I – THE COMPANY

1. INTRODUCTION

Gabelli Merger Plus⁺ Trust Plc (the "**Company**") is a closed-ended public limited company incorporated in the United Kingdom on 28 April 2017 with registered number 10747219. The Company intends to conduct its affairs so as to qualify, at all times, as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 (as amended).

The AIFM of the Company will be Carne Global Fund Managers (Ireland) Limited which is responsible for the Company's portfolio and risk management functions. The AIFM has delegated day-to-day portfolio management functions relating to the Company to Gabelli Funds, LLC (the "**Portfolio Manager**"). For further information on the AIFM please refer to paragraph 1 of Part III (The AIFM and the Portfolio Manager) of this Prospectus and for further information on the Portfolio Manager please refer to paragraphs 2 to 4 of Part III (The AIFM and the Portfolio Manager) of this Prospectus.

The Company is targeting a minimum initial capital raise of US\$25 million pursuant to the Placing. All Shares issued pursuant to the Placing will be issued at the Placing Price. The Net Proceeds from the Placing will be invested in accordance with the investment objective and investment policy set out in paragraph 2 in this Part I (The Company) of this Prospectus.

Applications will be made for the Shares to be admitted to (i) trading on the Specialist Fund Segment; and (ii) to listing and trading on the Official List of the TISE. It is not currently intended that the Shares be admitted to listing in the UK or in any other jurisdiction or to trading on any other market. It is expected that Admission will become effective and dealings in the Shares issued in connection with Admission will commence on 19 July 2017.

The Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. Investors in the Company are expected to be institutional investors, professional investors, professionally advised investors and highly knowledgeable investors who understand, or who have been advised of, the potential risks from investing in the Company.

2. INVESTMENT POLICY

Investment objective

The Company's primary investment objective is to seek to generate total return, consisting of capital appreciation and current income. The Company will seek a secondary objective of the protection of capital, uncorrelated to equity and fixed income markets.

Investment policy

The Company will seek to meet its investment objective by utilizing the Gabelli Private Market Value (PMV) with a CatalystTM, investment methodology, maintaining a diversified portfolio of catalyst event merger arbitrage strategies to seek to create an optimal risk/reward profile for the portfolio.

"Catalyst Event Driven Merger Arbitrage" is a highly specialised active investment approach designed principally to profit from the differences between the public market price and the price achieved through corporate catalyst events. Catalysts are utilised to earn returns independent of the broad markets' direction. This includes corporate events such as announced mergers, acquisitions, takeovers, tender offers, leveraged buyouts, restructurings, demergers and other types of reorganisations and corporate actions ("**deals**").

The Company will invest globally although it is expected to have an emphasis on securities traded in the United States, predominantly equity securities issued by companies of any market capitalisation. The Company is permitted, however, to use a variety of investment strategies and instruments, including but not limited to: convertible and nonconvertible debt securities; asset-backed and mortgage-backed securities; fixed interest securities, preferred stock, non-convertible

preferred stock, depositary receipts; shares or units of UCIs or UCITS; rights qualifying as transferable securities; when issued, delayed delivery transferable securities; forward contracts; swaps; recently issued transferable securities; repurchase agreements, money market instruments and warrants.

The Company may invest part of its net assets in cash and cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having at least a single-A (or equivalent) credit rating from an internationally recognised rating agency or government and other public securities, if the Portfolio Manager believes that it would be in the best interests of the Company and its Shareholders. This may be the case, for example, where the Portfolio Manager believes that adverse market conditions justify a temporary defensive position. Any cash or surplus assets may also be temporarily invested in such instruments pending investment in accordance with the Company's investment policy.

The Company may take both long and short positions in both equity and debt securities. For shorting purposes the Company may use indices or individual stocks or fixed income securities.

The Company may utilise financial derivative instruments to create both long and synthetic covered short positions with the aim of maximising positive returns. The Company may use strategies and techniques consisting of options, futures contracts, and currency transactions and may enter into total rate of return, credit default, or other types of swaps and related derivatives for various purposes, including to gain economic exposure to an asset or group of assets that may be difficult or impractical to acquire.

The Company may also use derivatives for efficient portfolio management purposes including, without limitation, hedging and risk management.

The Company has broad and flexible investment authority and, accordingly, it may at any time have investments in other related or unrelated areas. Strategies and financial instruments utilised by the Company may include: (i) purchasing or writing options (listed or unlisted) of any and all types including options on equity securities, stock market and commodity indices, debt securities, futures contracts, future contracts on commodities and currencies, (ii) trading in commodity futures contracts, commodity option contracts and other commodity interests including physical commodities, (iii) borrowing money from brokerage firms and banks on a demand basis to buy and sell short investments in excess of capital and (iv) entering into swap agreements (of any and all types including commodity swaps, interest rate swaps and currency swaps), forward contracts, currencies, foreign exchange contracts, warrants, credit default swaps, synthetic derivatives (for example CDX), collateralised debt obligations tranches, and other structured or synthetic debt obligations, partnership interests or interests in other investment companies and any other financial instruments of any and all types which exist now or are hereafter created.

Investment restrictions and portfolio diversification

General

The Company will seek to mitigate portfolio risk by investing in a diversified spread of investments. In particular, no single investment shall, at the time of investment, account for more than 15 per cent. of the gross assets of the Company. There is, however, no limitation on the number of investments which may be exposed to any one type of "deal" (as defined above). 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.

Derivatives

If the Company invests in derivatives and/or structured financial instruments, whether for investment purposes or efficient portfolio management purposes, the notional value of each individual derivative or structured financial instrument at the time of investment will not exceed 15 per cent. of the gross assets of the Company.

Short Selling

The Portfolio Manager is expected to engage in short selling as a tactic to implement its investment strategy. Short selling is generally used to implement a spread position, selling short securities

against a corresponding long security to achieve a return based on the narrowing of a spread. For example, in the case of announced mergers in exchange for shares, the Portfolio Manager would typically buy shares of the target, while simultaneously selling short shares of the acquirer. These short sales are done for spread purposes, to offset movements in the acquirer's stock, while preserving the economics of the deal spread. In spread positions, the Portfolio Manager does not expect to sell short securities without a corresponding long position. Accordingly, it is expected that a substantial majority of the Company's individual short positions will be for spread investing. On occasion, short sales may also be used to hedge market, macro, or other risks, based on the Portfolio Manager's view of the market conditions at the time. It is not expected that short positions will account for greater than 50 per cent. of the Company's gross assets.

Remediation

In the event of a breach of the investment guidelines and restrictions set out above, the Portfolio Manager will inform the Board and the Depositary upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to an RIS and the Portfolio Manager will look to resolve the breach with the agreement of the Board.

Leverage and borrowing limits

At the sole discretion of the Portfolio Manager, the Company may use leverage as part of its investment programme. It is anticipated that the Company will structurally gear and use tactical leverage or portfolio borrowings in an amount (calculated at the time of draw down) of around 2 times of the Net Asset Value, subject to maximum gearing of 2.5 times the Net Asset Value.

Changes to the Company's investment policy

Any material change to the Company's investment policy will be made only with the prior approval of Shareholders by way of passing an extraordinary resolution (requiring a 2/3 majority) at a general meeting of Shareholders.

The Company intends to conduct its affairs so as to qualify, at all times, as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010 (as amended). Any proposed changes to the Company's investment policy are also required to be notified to HMRC in advance.

3. DIVIDEND POLICY AND TARGET RETURN

In order to allow the Shareholders to realise a predictable, but not assured, level of cash flow and some liquidity periodically on their investment, the Company has adopted a "managed dividend policy", which may be changed at any time by the Board. Pursuant to such policy, the Company currently intends, subject to being able to comply with all legal and regulatory requirements and restrictions, to pay Shareholders a quarterly dividend at a minimum annualised dividend rate of 5 per cent. of the average Net Asset Value per Share during each calendar quarter (the "**Expected Dividend Rate**"). The Company currently intends to declare the first dividend on 31 December 2017 (the "**First Dividend**") and it is expected that the First Dividend will be paid no later than 31 January 2018. After the First Dividend, the Company currently intends to declare dividends at the end of each fiscal quarter at the Expected Dividend Rate, and to make dividend payments no later than 30 days after the end of the relevant fiscal quarter.

The Company intends to comply with the requirements for maintaining investment trust status for the purposes of section 1158 of the Corporation Tax Act 2010 (as amended) regarding distributable income. As such, the Company will distribute amounts such that it does not retain, in respect of an accounting period, an amount greater than 15 per cent. of its income (as calculated for UK tax purposes) for that period.

For each distribution period, the Board will review the amount of any potential distribution and the Company's income, capital gains, or capital available. The Board will continue to monitor the Company's distribution level, taking into consideration the Company's Net Asset Value and the financial market environment. The Company's distribution policy is subject to modification by the Board at any time, and the Company will make distributions only in compliance with legal and regulatory requirements and restrictions and when, as and if authorised by the Board and declared by the Company. The distribution rate should not be considered the total return on an investment in the Company.

The Expected Dividend Rate is a target only and not a profit forecast. The Expected Dividend Rate is based on estimates and assumptions and there can be no assurance or guarantee that the Expected Dividend Rate or actual returns can be achieved at or near the levels set forth above. Potential investors should not place any reliance on the Expected Dividend Rate and should make their own determination as to whether the Expected Dividend Rate is reasonable or achievable in deciding whether to invest in the Company. Prospective investors are referred to the risk factor entitled "*Dividend policy risk*" in the section entitled "*Risk Factors*" of this Prospectus.

4. NET ASSET VALUE

The Net Asset Value is the value of all assets of the Company less its liabilities (all as determined in accordance with the Company's accounting policies). The Net Asset Value per Share is the Net Asset Value divided by the number of Shares in issue at the relevant time. The Net Asset Value will be audited on a yearly basis.

The unaudited Net Asset Value and the unaudited Net Asset Value per Share will be calculated in US Dollars by the Administrator (on the basis of information provided by the Portfolio Manager) on a daily basis, and will be notified to the market via an RIS and published on the Company's website on a daily basis.

The Net Asset Value of the Company will be calculated on the basis of the market prices of the Company's underlying investments. Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the US over-the-counter market, for which market quotations are readily available, will be valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security will be valued at the average of the closing bid and ask prices or, if there were no ask prices quoted on that day, then the security will be valued at the closing bid price on that day. If no bid or ask prices are quoted on such day, the security will be valued at the most recently available price or, if the Board so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market will be valued according to the broadest and most representative market, as determined by the Portfolio Manager.

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

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

Any suspension in the calculation of the Net Asset Value, to the extent required under the Articles, will be notified through an RIS as soon as practicable after such suspension occurs.

Any suspension in the calculation of the Net Asset Value may also lead to a suspension of the listing of the Company on the Official List of the TISE for the period where such suspension is in force.

5. VOTING RIGHTS

Pursuant to the Placing, the Company expects to issue a substantial number of Shares to the Portfolio Manager and/or its Affiliates, who are or may be US residents. Accordingly, the proportion of the Shares held by US residents could be significant at Admission and such proportion could increase in subsequent secondary market trading.

As the Portfolio Manager is based in the United States, the Company could lose its status as a "foreign private issuer" under the Securities Act and the Exchange Act if US residents come to

control more than 50 per cent. of the voting power attached to the Shares, which for this purpose means securities the holders of which are presently entitled to vote for the election of Directors. If the Company ceases to be a "foreign private issuer", this could have materially adverse consequences for the Company – for example, the Company could be required to register with the SEC under the Exchange Act and/or under the Investment Company Act, which would subject the Company to potentially onerous and costly reporting requirements and substantive regulation with which the Company is not currently structured to comply.

With a view to ensuring that the Company continues to be considered a "foreign private issuer" for the purposes of the Securities Act and the Exchange Act, thus avoiding the materially adverse consequences outlined above, the Articles provide that, in respect of any shareholder resolution concerning the appointment or removal of one or more Directors (a "**Director Resolution**"), each Shareholder shall be required, as set out in the Articles, to make certain certifications with regard to their status (and, to the extent they hold Shares for the account or benefit of any other person, the status of such other person) as a non-US resident (each Shareholder that does not so certify, being a "**Non-Certifying Shareholder**"). If the aggregate total of votes which Non-Certifying Shareholders would otherwise be entitled to cast on a Director Resolution is greater than 49 per cent. of the aggregate total of votes which all Shareholders are entitled to cast on such Director Resolution then, pursuant to the Articles, the aggregate number of votes which Non-Certifying Shareholders are entitled to cast on such Director Resolution shall be scaled down, on a pro rata basis, so as not to exceed 49 per cent. of the aggregate total of votes which all Shareholders are entitled to cast on such Director Resolution. For the avoidance of doubt, in respect of any Director Resolution, each Special Voting Loyalty Share obtained through the Loyalty Share Programme (as described in paragraph 6 of this Part I (The Company) of the Prospectus below) will be subject to the limitation on voting rights as described in this paragraph 5.

Further information on such provisions of the Articles is set out in paragraph 6 of Part VII (Additional Information on the Company) of this Prospectus.

6. LOYALTY PROGRAMME

The Company has implemented a loyalty programme (the "**Loyalty Programme**") to incentivise long-term ownership of Shares. The Loyalty Programme is offered to all Shareholders, at any point in time, who are entered in a separate register in respect of Shares held by them (the "**Loyalty Register**"). The Loyalty Register will be maintained by the Registrar and will allow a Shareholder to increase its voting power after holding its Shares for a continuous period of at least five years, as set out below.

One of the rights attaching to each Share shall be the right to subscribe for one Special Voting Loyalty Share, subject to satisfying the eligibility conditions set out in the Articles. In summary, the Registered Holder of a Share may exercise the right to subscribe for a Special Voting Loyalty Share in respect of such Share if such Registered Holder has been entered into, and remains registered in, the Loyalty Register in respect of such Share, for a period of five years. The right to subscribe for Special Voting Loyalty Shares shall be conditional on the Directors having, at the relevant time, the requisite authorities under the Act and the Articles (including, for the avoidance of doubt, the authority to allot the relevant Special Voting Loyalty Shares) and the issue and allotment of the Special Voting Loyalty Shares otherwise being in compliance with applicable laws and regulations. A Registered Holder may only exercise this right by completing suitable subscription documentation, by paying up the nominal value of the Special Voting Loyalty Share and during a prescribed period during the year – currently, this has been set as 1 December to 14 December (the "**Subscription Period**") in each calendar year. In any calendar year, on the receipt of valid subscriptions during a Subscription Period, and the satisfaction of the other requirements of the Act and the Articles, the Company shall issue Special Voting Loyalty Shares on 31 December (or if 31 December is not a Business Day in such calendar year, the immediately preceding Business Day) (the "**Subscription Date**"). At any general meeting of the Company, ordinary shares in the capital of the Company and any Special Voting Loyalty Shares in issue from time to time will vote as effectively one class.

In order to be entered into the Loyalty Register in respect of a Share, a Registered Holder is required to provide to the Registrar confirmation in a form satisfactory to the Board (acting in its sole and absolute discretion) that, as at the date of such application, such Share is held by the

Registered Holder either: (i) for its own ultimate benefit; or (ii) as nominee for another person(s), in which case, the Board may require the Registered Holder to provide such information as the Board may request in relation to the person(s) for whose ultimate benefit such Shares are held by the Registered Holder (the **"Beneficial Owner"**). On receipt of a valid application, the relevant Registered Holder shall be entered into the Loyalty Register with effect from the date on which the valid application (together with the appropriate confirmation or information) is received by the Registrar.

If the Company is notified, or the Board (in its sole and absolute discretion) determines that, at any point following entry into the Loyalty Register in respect of an ordinary share, either the Registered Holder or the Beneficial Owner has, without the prior written consent of the Company, transferred any interests in the Shares, this shall be a **"Disqualifying Transfer"**, and the Registered Holder shall be required to promptly notify the Registrar. The Company (or any other person nominated by the Company for this purpose) may, from time to time, require the Registered Holder to confirm that any Share in respect of which it has been entered into the Loyalty Register continues to be held by it either for its own ultimate benefit or for the benefit of the same Beneficial Owner (as appropriate) and that no Event of Default (as described below) has occurred in relation to any Special Voting Loyalty Shares held by such Registered Holder (a **"Continuing Confirmation"**).

If a Disqualifying Transfer occurs in relation to a Share or if the Registered Holder of a Share fails to provide a Continuing Confirmation in a form satisfactory to the Board (acting in its sole and absolute discretion), the Registered Holder shall be removed from the Loyalty Register (although it may then apply again to be entered, which would re-start the five-year period). If a Special Voting Loyalty Share is in issue in relation to any Share in respect of which the Registered Holder is being removed from the Loyalty Register, such Special Voting Loyalty Share shall be re-classified as a Default Share with no voting rights which may, at the sole and absolute discretion of the Directors, be mandatorily redeemed or transferred to a person appointed by the Company for this purpose (the consideration in either case being the nominal value of such Default Share).

The Special Voting Loyalty Shares shall not be transferred by the Registered Holder or the Beneficial Owner and any such transfer shall constitute an **"Event of Default"**. On the occurrence of an Event of Default or if the Registered Holder of a Special Voting Loyalty Share fails to provide a Continuing Confirmation in a form satisfactory to the Board (acting in its sole and absolute discretion), such Special Voting Loyalty Share shall be re-classified as a Default Share with no voting rights which may, at the sole and absolute discretion of the Directors, be mandatorily redeemed or transferred to a person appointed by the Company for this purpose (the consideration in either case being the nominal value of such Default Share).

7. FIFTH ANNIVERSARY TENDER OFFER

Subject to compliance with all legal and regulatory requirements (including having all necessary Shareholder approvals and sufficient distributable profits), shortly before the fifth anniversary of Admission, the Company will arrange for an offer to all Qualifying Registered Holders to purchase Qualifying Shares (such offer being the **"Fifth Anniversary Tender Offer"**).

For these purposes, a **"Qualifying Registered Shareholder"** shall be a Registered Shareholder who was entered into the Loyalty Register on Admission, who remains on the Loyalty Register until the making of the Fifth Anniversary Tender Offer and who is not an Ineligible Shareholder; and **"Qualifying Shares"** means Shares in respect of which a Qualifying Registered Shareholder was both entered into the Loyalty Register on Admission and remains on the Loyalty Register.

The purchase price for such Qualifying Shares will be the most recently reported Net Asset Value per Share (of the relevant class) as at the date on which the Qualifying Shares are purchased pursuant to the Fifth Anniversary Tender Offer, less any costs associated with conducting the Fifth Anniversary Tender Offer (including any brokerage costs and applicable stamp duty payable in connection with implementation of the Fifth Anniversary Tender Offer). Qualifying Registered Shareholders will have 30 days (or such longer period as may be specified by the terms of the Fifth Anniversary Tender Offer) to accept the Fifth Anniversary Tender Offer and deliver their Qualifying Shares for purchase. Where no response is received from a Qualifying Registered Holder within the time period prescribed, the relevant Qualifying Registered Shareholder shall be deemed to have rejected the Fifth Anniversary Tender Offer.

In the event that the number of Qualifying Shares validly tendered pursuant to the Fifth Anniversary Tender Offer is equal to or exceeds 75 per cent. of the ordinary shares in the Company then in issue, the purchase of Qualifying Shares pursuant to the Fifth Anniversary Tender Offer will not proceed and the Board will instead put forward proposals for the winding up or restructuring of the Company.

In accordance with the Act, the implementation of the Fifth Anniversary Tender Offer is subject to a special resolution granting the Board authority to repurchase Qualifying Shares pursuant to the Fifth Anniversary Tender Offer being passed and remaining in force at the relevant time. By a special resolution to be passed by the Initial Shareholder shortly before Admission, it is expected that the Board will be granted the necessary authority, but such authority may be revoked by a subsequent special resolution of Shareholders prior to implementation of the Fifth Anniversary Tender Offer.

In addition, the Fifth Anniversary Tender Offer will not be implemented if to do so would, by itself, result in an obligation on ACG (or any other person) to make a mandatory offer for ordinary shares in the Company pursuant to Rule 9 of the Takeover Code, as further explained in paragraph 7 of Part VII (Additional Information on the Company) of this Prospectus. Furthermore, the implementation of the Fifth Anniversary Tender Offer is also conditional on the Company continuing to satisfy the requirements for qualifying as an investment trust following its implementation.

For additional considerations please see the risk factor entitled "*The Company may need to sell assets in order to complete tender offers or repurchase Shares*" and "*Implementation of the Fifth Anniversary Tender Offer is subject to compliance with all applicable legal and regulatory requirements (including having all necessary Shareholder approvals and sufficient distributable profits)*" in the section entitled "*Risk Factors*" of this Prospectus.

8. ACG'S PARTICIPATION IN THE PLACING

ACG, an affiliate of the Portfolio Manager, expects to invest in the Placing subject to the restrictions that: (a) it will not subscribe for Shares worth, in aggregate, more than US\$70 million; and (b) it will not acquire more than 64.9 per cent. of the total issued share capital of the Company on Admission. The precise shareholding of ACG will depend on the outcome of the Placing as a whole. If the Company raises gross proceeds under the Placing of between US\$140 million to US\$200 million (being the maximum gross proceeds pursuant to the terms of the Placing) and ACG subscribes for Shares worth, in aggregate, US\$70 million, then ACG would hold between 35 per cent. and 50 per cent. of the total issued capital of the Company on Admission. The implications of this Shareholding are set out in paragraph 7 of Part VII (Additional Information on the Company) of this Prospectus.

9. DISCOUNT CONTROL MECHANISMS

Continuation Resolution

The Company has been established with an unlimited life. In accordance with the Articles, however, the Directors will propose an ordinary resolution that the Company continues its business as a closed-ended investment company (the "**Continuation Resolution**") at the first annual general meeting of the Company following the fifth anniversary of Admission.

If a Continuation Resolution is not passed, the Directors are required to put forward proposals for the reconstruction or reorganisation of the Company to the Shareholders for their approval within six months following the date on which the Continuation Resolution is not passed. These proposals may or may not involve winding up the Company and, accordingly, failure to pass the Continuation Resolution will not necessarily result in the winding up of the Company.

Share buy-backs

The shares of investment trusts and other listed closed-ended funds may trade at a discount to the underlying net asset value per share. Whilst the rating which the market applies to the Shares is not in the control of the Company, the Directors believe that, subject always to wider market conditions, the rating will tend to benefit from strong investment performance.

The Directors will consider using share buy-backs to seek to assist in limiting discount volatility and

potentially providing an additional source of liquidity, if and when the ordinary shares trade at a level which makes their repurchase attractive. In particular, where the market price of an ordinary share trades at a discount equal to or in excess of 7.5 per cent. of the Net Asset Value per ordinary share (of the relevant class) at any time, the Board will consider implementing a share buy-back programme.

Shares will only be repurchased at a price which, after repurchase costs, represents a discount to the Net Asset Value per ordinary share (of the relevant class). Repurchased shares will be cancelled or may, alternatively, be held in treasury. Shares repurchased may only be reissued from treasury at a price which, after issue costs and expenses, is not less than the Net Asset Value per ordinary share (of the relevant class) at the relevant time.

All share repurchases will be conducted in accordance with the Act, the Market Abuse Regulation and other applicable laws and regulations, and will be announced to the market via an RIS on the same or the following day.

In accordance with the Act, share repurchases will be subject to a special resolution granting the Board general authority to make such market purchases of issued shares being passed and having remaining capacity under such authority at the relevant time.

Further, notwithstanding any such authority or undertaking to carry out share repurchases, no share repurchases will be conducted where such repurchases would result in an obligation on ACG to make a mandatory offer for the remaining ordinary shares of the Company under Rule 9 of the Takeover Code, as further explained in Part VII (Additional Information on the Company) of this Prospectus.

The exercise by the Directors of the Company's powers to repurchase ordinary shares and the timing and structure of any such repurchase is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion.

By a special resolution to be passed by the Initial Shareholder shortly before Admission, it is expected that the Board will be granted general authority to make market purchases of up to 14.99 per cent. of the Shares in issue immediately following Admission, such authority lasting until the conclusion of the first annual general meeting of the Company.

Pursuant to approval by a further special resolution of the Initial Shareholder that is expected to be passed shortly before Admission, the Company intends (subject to court approval) to effect the cancellation of its share premium account following Admission, in order that Share repurchases may be made out of the Company's distributable reserves (including the reserves created by such cancellation) to the extent considered desirable by the Directors. The Company may, where the Directors consider it appropriate, also use the reserve created by the cancellation of its share premium account to pay dividends.

10. FURTHER ISSUES OF ORDINARY SHARES

By a special resolution to be passed by the Initial Shareholder shortly before Admission, it is expected that the Board will be granted general authority to allot further ordinary shares following Admission, in addition to the Shares to be issued pursuant to the Placing, up to an aggregate nominal amount of US\$1 million less the aggregate nominal value of the Shares issued pursuant to the Placing (i.e. up to 100 million (in aggregate) ordinary shares of a nominal value of US\$0.01 each less the number of Shares issued pursuant to the Placing), such authority lasting until the end of the period of five years from the date of the passing of that resolution. To the extent that the authority is used in full before the end of such period, the Company may convene a general meeting to refresh the authority, or it may refresh the authority at an annual general meeting. It is expected that the Initial Shareholder will, at the same meeting, pass a special resolution to disapply Shareholders' pre-emption rights over this unissued share capital so that the Board will not be obliged to offer any such new ordinary shares to Shareholders *pro rata* to their existing holdings.

By a special resolution to be passed by the Initial Shareholder shortly before Admission, it is also expected that the Board will be granted the general authority to exercise all the powers of the Company to grant rights to subscribe for Special Voting Loyalty Shares, which rights attach to the ordinary shares to be allotted pursuant to the special resolution referred to above, with the

aggregate nominal value of Special Voting Loyalty Shares that may be allotted pursuant to the rights not exceeding US\$10 million, such authority lasting until the end of the period of five years from the date of the passing of that resolution.

Application will be made for any ordinary shares issued following Admission to be admitted to listing on the Official List of the TISE and admitted to trading on the Specialist Fund Segment.

11. MEETINGS, REPORTS AND ACCOUNTS

The Company expects to hold its first annual general meeting in January 2019 and will then hold an annual general meeting each year thereafter. The annual report and accounts of the Company will be made up to December in each year with copies expected to be sent to Shareholders within the following four months. The Company will also publish unaudited interim reports to June each year. The Company's financial statements will be prepared in accordance with IFRS and it is expected that these will be available on the Company's website.

The Company intends that its first financial period will be to 30 June 2018 and will prepare financial statements in respect of this period.

Any on-going disclosures required to be made to Shareholders pursuant to the AIFM Directive will (where applicable) be contained in the Company's periodic or annual reports, on the Company's website, or will be communicated to Shareholders in written form as required.

The Company may, from time to time, appoint prime brokers. If any prime brokers are appointed, relevant information relating to such prime broker arrangements will be made available to Shareholders in accordance with the AIFM Directive.

12. TAXATION

Potential investors are referred to Part VI (Taxation) of this Prospectus for details of the taxation of the Company and of Shareholders in the UK.

Shareholders considering disposing of their Shares are advised to consider their investment objectives and their own individual financial and tax circumstances. Shareholders who are in any doubt as to their tax position should seek professional advice from their own adviser.

13. RISK FACTORS

The Company's business is dependent on many factors and potential investors should read the whole of the Prospectus and in particular the section entitled "*Risk Factors*" beginning on page 20 of this Prospectus.

PART II – INVESTMENT PROPOSITION

"There are many advantages to investing in merger arbitrage. Let's focus on three; merger arbitrage returns are not closely correlated with those of the stock market; they are less volatile than returns on the S&P 500; and longer term they are higher than those returns afforded by traditional investing. While these three factors provide for excellent results in the world of arbitrage, the real beauty of merger arb investing is that there is rarely a down year. Because merger arb returns are consistently positive year in and year out, they fulfil the concept of a compound return. We proclaim this source of compounded earnings as the eighth wonder of the world.

Compounding is the secret to wealth creation over a period of decades."

Mario Gabelli
(Deals, Deals and More Deals, 1999)

1. MARKET OPPORTUNITY

The Portfolio Manager will be responsible for portfolio management in relation to the Company. The Portfolio Manager's objectives are to compound and preserve wealth over time, while remaining non-correlated to the broad markets. The Portfolio Manager and its Affiliates (the "**Gabelli Group**") have invested in mergers since 1977 and created the Gabelli Group's first dedicated announced merger fund over 30 years ago. Its merger performance has grown client assets at an annualised rate of 10.8 per cent. gross and 7.7 per cent. net since inception of the dedicated merger portfolios in 1985.¹ Today, the Gabelli Group manages assets for institutional and high net worth clients globally in a variety of fund structures. The Portfolio Manager is enthusiastic for opportunities to grow client wealth in the decades to come and highlight several factors that should help drive results. These include:

- The prospect of rising rates would imply higher returns on mergers as spreads widen to compensate arbitrageurs.
- Merger investments are a highly liquid, non-market correlated, proven and consistent alternative to traditional fixed income and equity securities. Increased broad market volatility enhances the opportunity to establish positions for the prospect of improved returns.
- The Portfolio Manager has an experienced investment team pursuing opportunities globally through a disciplined application of the Gabelli Group's investment methodology.
- The markets are currently in the midst of the fifth wave of merger activity that is steadily increasing since political clarity in the United States has developed with the prospects of lower corporate taxes and capital gains rates resulting in an expected robust M&A environment for a protracted period which should complement its long term investment programme.

The preceding four M&A waves were 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 "conglomeratisation of the 1960's". |

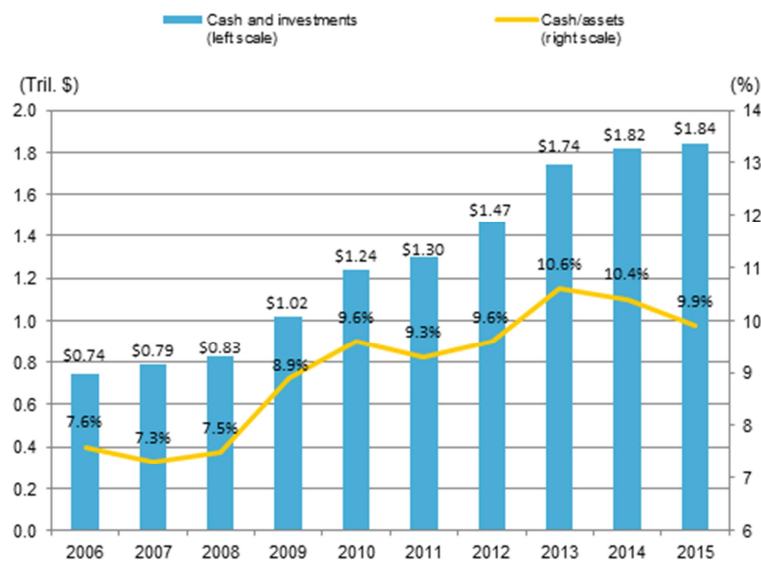
¹ Past performance is no guarantee of future results.

- 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 Boom.** 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.

Through the fiscal year end of 2016 there was US\$3.7 trillion in deal volume. The Portfolio Manager believes that this will continue into 2017 and beyond driven by:

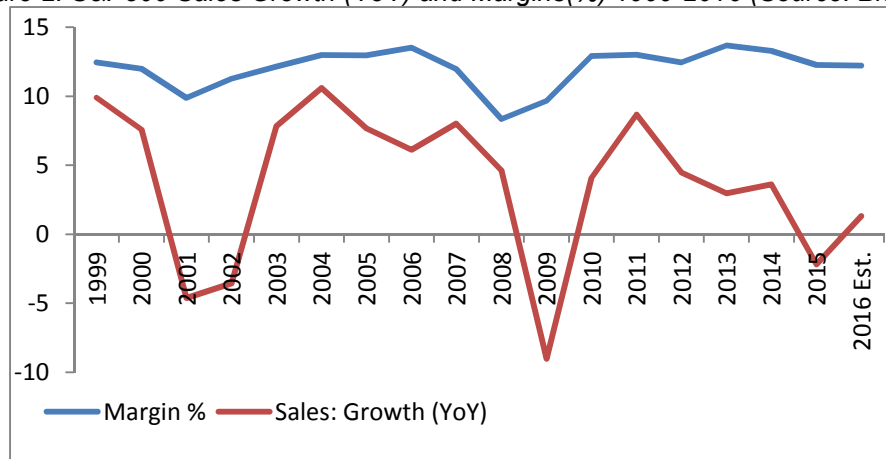
- continuing low interest rates;
- record levels of corporate cash according to Standard & Poor's' research (see Figure 1 below);

Figure 1: Slowing Cash Growth (Source: Standard & Poor)



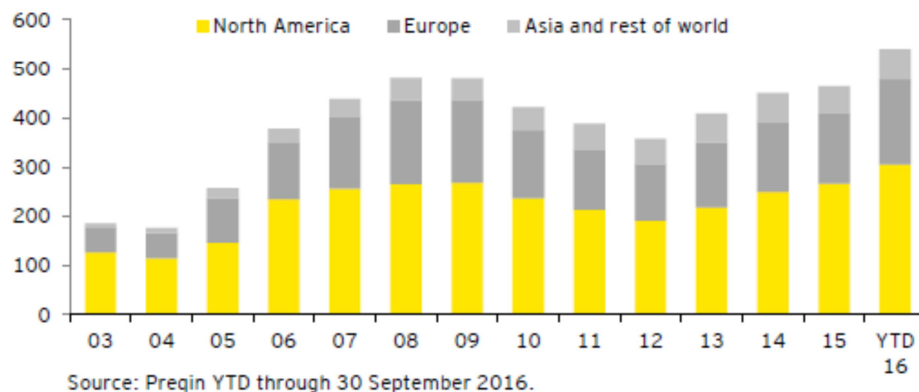
- slowing growth and peaking margins fuelling acquisitions to stay productive and competitive (see Figure 2 below);

Figure 2: S&P500 Sales Growth (YoY) and Margins(%) 1999-2016 (Source: Bloomberg)



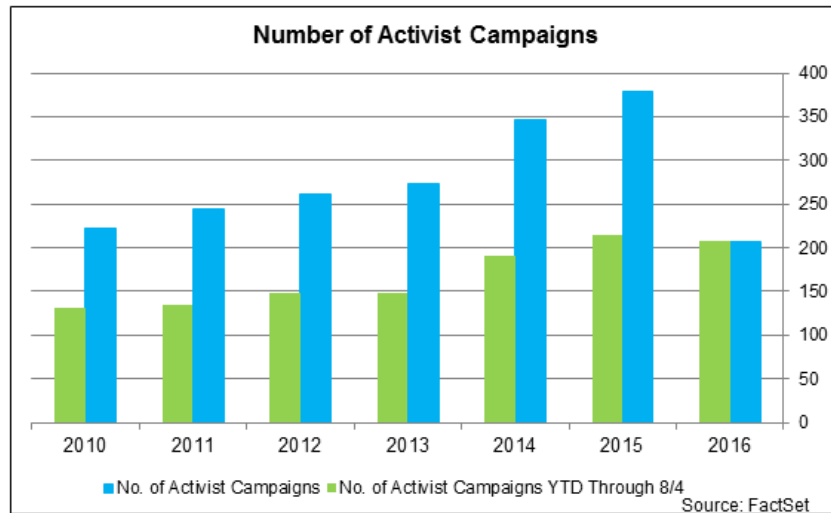
- increasing levels of private equity fund "dry powder" estimated at over US\$540 billion at the end Q3 2016, an increase of 11 per cent. versus the previous year, at buyout funds that needs to be employed;

Figure 3: Global private equity dry powder by region (in US\$b) (Source: Ernst & Young: Pre-Capital Briefing (October 2016))



- increasing shareholder activism as seen through campaigns.

Figure 4: Number of Activist Campaigns (Source: FactSet: "Does Shareholder Activism Drive Outperformance?")



The Portfolio Manager believes that the new US President Donald Trump's plan to incentivise US companies to repatriate their increasing overseas cash piles could spur deals. At least US\$750 billion in cash and nearly US\$2.3 trillion in earnings from Standard & Poor 500 companies is parked overseas according to a new research report on the topic from analysts at Credit Suisse (see Figure 5 below). The compound annual growth rate of earnings parked overseas was 18 per cent. between 2005 and 2015. 57 per cent. of foreign profits were parked overseas in 2015, the highest level over the past ten years and estimated funds for repatriation or marked for repatriation in 2015 hit a multi-year low of US\$167 billion (see Figure 6 and 7 below).

Figure 5: Earnings Parked Overseas Keep on Growing, 2001-2015, Standard & Poor 500 (Source: Credit Suisse: "Earnings Overseas Report")

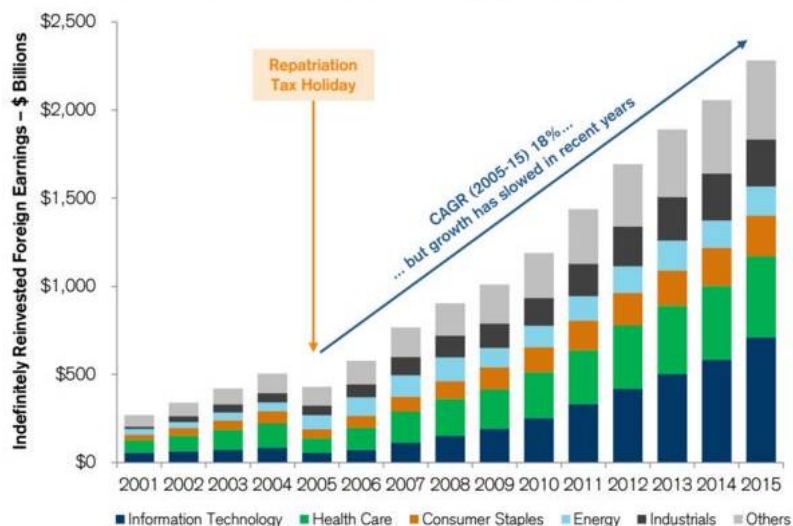
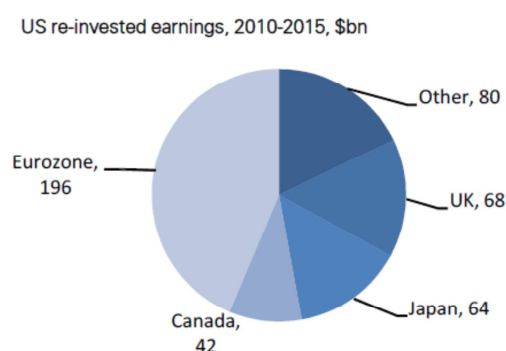


Figure 6: More than US\$3 trillion of re-invested earnings, but figure overstated how much can be brought back (Source: Deutsche Bank, BEA)



Figure 7: Most unremitted profits sit in Europe (Source: Deutsche Bank, BEA)



2. INVESTMENT PROCESS

The Portfolio Manager's approach to merger investing is a natural extension of its long-standing research driven investment process oriented towards undervalued assets as articulated through its proprietary "**Private Market Value with a Catalyst**"™ methodology: private market value ("PMV") is the price an informed buyer would pay for an entire business in a negotiated transaction, combined with a catalyst, to earn rates of returns independent of the broad markets' direction.

Investment Approach

"Merger arbitrage" is a highly specialised investment approach designed principally to profit from corporate events, including the successful completion of proposed mergers, acquisitions, takeovers, tender offers, leveraged buyouts, restructurings demergers and other types of corporate reorganisations and actions ("**Event Arbitrage Transactions**").

Event arbitrage entails investing in the listed securities of companies engaged in restructuring transactions, balance sheet restructurings, including demergers, spin-offs and leveraged buyouts ("**LBO**"), mergers and other forms of general corporate reorganisation. The arbitrageurs seek to benefit from the decrease arising from the difference between the exchange rate of the target company and its theoretical value as a result of methods used in the restructuring operation.

The Portfolio Manager's practice is to invest across the full spectrum of merger event driven opportunities. The Portfolio Manager's 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 despite the variety of prevalent macro-economic conditions. Thus the Portfolio Manager believes that its process of securities selection, in identifying and valuing businesses from the perspective of an owner or strategic buyer, will help to orient the Company's portfolio in a variety of catalyst driven situations that eventually become subject to a takeover or merger. After a merger or acquisition is announced, the Portfolio Manager may deem it attractive to invest, or for the Company to remain invested, in the announced merger transaction. This is known as traditional merger investing, with the catalyst arbitrage based on the announced acquisition price relative to the market price or the spread. The Portfolio Manager believes that both event and announced merger investments offer an attractive combination for the Company's investment programme, and since announced merger returns are contingent on the consummation of a transaction, and not the general market, this component is expected to represent a significant majority of the Company's investment programme.

Event merger arbitrage returns are dependent on deal spreads, the difference between the market price and the PMV estimate, to generate returns independent of the overall market. In announced mergers, such spreads are typically a function of the underlying valuation and terms as seen through the deal's risk premium plus the cost of funding or the risk free rate, and time. Every arbitrage has its own unique set of elements, and the portfolio management team works on all aspects, from fundamental and legal research, to trading. The Portfolio Manager analyses and continuously monitors a pending transaction, for all the elements of potential risk, including:

regulatory, terms, financing and shareholder approval.

The Portfolio Manager generally increases positions in a deal as it gains clarity on the outcome of the various deal "hurdles". The Portfolio Manager believes that cash transactions, when announced by well financed, strategic corporate acquirers, in industries in which the Portfolio Manager has research knowledge, provide the best risk/return profile for the Company's Shareholders. The Portfolio Manager's experience suggests that cash strategic deals have the highest probability of consummation. It is the Portfolio Manager's experience that increased tactical allocations to such deals during periods of market volatility offer enhanced returns.

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

Short positions

Securities may be sold short to hedge against the risk of market fluctuation that may impact merger transactions in the securities to be received. The Company may sell securities of the acquiring company short. If the transaction is consummated, the Company will then exchange the shares of the target company which it has accumulated for the shares issued by the acquiring company and may cover its short position, if any, with the securities received.

Private Market Value with a Catalyst™

The Portfolio Manager's Private Market Value with a Catalyst™ methodology, supported by deep, bottom-up research pre-disposes the Portfolio Manager towards companies with underappreciated assets and managements focused on gaining recognition for those assets through deals.

As such, catalysts from financial engineering are an additional source of merger investments for the Portfolio Manager. Financial engineering is increasingly being used by public corporations to create and surface value and the Portfolio Manager believes further supports its rationale for investment. Such catalysts include spin-offs, exchange offers, Reverse Morris Trust transactions, tracking stocks, share repurchases and REIT conversions.

The Portfolio Manager believes that its investment research helps its arbitrage team filter deals and their underlying fundamentals to reduce the risk of investing in deals with a higher probability of capital loss. This investment research methodology centres on the application of principles first articulated in 1934 by the founders of modern security analysis, Benjamin Graham and David Dodd, and applies a holistic understanding of a company from the perspective of long term ownership, coupled with imbedded 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. It begins by focusing on a company's underlying fundamentals, looking for changes in their market positions and their ability to generate free cash flow. Cash flow is viewed as a barometer of financial health and often foreshadows earnings trends. The Portfolio Manager attempts to forecast the direction and growth rates of the earnings and cash flow streams.

The second step in the arbitrage research filtering 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 Portfolio Manager adds an assessment of what the company may be worth to an informed business person attempting to create or purchase a business with similar characteristics; this is the PMV. The Portfolio Manager's goal is to then identify companies in the public market that are trading at market prices different to the Portfolio Manager's estimates of PMVs. This valuation spread is also referred to as a "margin of safety".

The identification of such valuation opportunities however, does not necessarily guarantee a rewarding investment. The next step is to determine events that will narrow the spread between a stock's public market price and the Portfolio Manager's determination of its private market value and then arbitrage this difference through prudent and patient capital allocation. The Portfolio Manager calls these events "catalysts". Catalysts are something happening in the company's industry or indigenous to the company itself that will help realise returns, arbitraging the difference between PMV and the market price. Catalysts include industry fundamentals, changes in the regulatory, accounting or management, restructurings such as spin-offs and asset sales, financial engineering, and industry consolidation as seen through merger and acquisition activity.

In this context, M&A investing involves purchasing securities that are the subject of an acquisition attempt, exchange offer, cash tender offer or similar transaction. The Portfolio Manager utilises techniques to realise the price differential of the merger "spread". The spread is a function of short term US 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 Portfolio Manager has over 40 years of experience in managing traditional merger arbitrage investments. As such, the Portfolio Manager has accumulated knowledge and data to manage the process and offer this value to the Company and its Shareholders.

The Portfolio Manager notes several recent M&A deals, including the acquisition of Ralcorp ten months after its spin-off of Post Holdings, have been announced relatively shortly post spin. 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 (see Figure 8 below).

Figure 8: Spin-offs into M&A

| <u>Former Parent</u> | <u>SpinCo Target</u> | <u>Spin Completed</u> | <u>Acquirer</u> | <u>Acq. Anned.</u> |
|----------------------|----------------------------|-----------------------|-------------------------|--------------------|
| 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 Prothena) | 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

While the Portfolio Manager's investment programme for the Company invests in companies utilising a variety of financial engineering techniques, the Portfolio Manager's approach remains grounded through the application of its rigorous analytical process utilising the PMV with a CatalystTM investment methodology in its disciplined approach to merger investing.

The Portfolio Manager believes there is a compelling opportunity for investment in the full spectrum of merger arbitrage opportunities utilising the Portfolio Manager's methodology.

3. BENEFITS OF THE "INVESTMENT COMPANY" CLOSED ENDED STRUCTURE

There are several key differences utilising the closed ended structure that benefit the total return objective of the Company. These include enhanced return opportunities through dynamic trading tactics optimising position sizes in well-established strategic mergers. The Portfolio Manager believes the use of leverage to increase position sizes also offers the opportunity for enhanced returns. During periods of increased volatility, positions in deals can be increased based on deal fundamentals, including probability of returns through deal consummation, without the liquidity demand pressure redemption rights create for open-ended funds. The Portfolio Manager believes that increasing the Company's position/size in well-structured merger investments in periods of stock market volatility may enhance returns. Merger arbitrage portfolios managed by the Gabelli Group have historically had less than one per cent. of deal breaks exposure. Using the Gabelli Group's market-tested core merger strategy and process, in a closed-ended structure, the Portfolio Manager expects to enhance portfolio performance to provide attractive total returns to the investor.

There can be no assurance that the Portfolio Manager will be successful in pursuing the Company's investment objective or that the strategies set forth in this Prospectus will be successful. Past results achieved by the Portfolio Manager or its Affiliates are not necessarily indicative of the future performance of the Company.

PART III – THE AIFM AND THE PORTFOLIO MANAGER

1. THE AIFM

The Company has appointed Carne Global Fund Managers (Ireland) Limited, a limited liability company incorporated under the laws of Ireland on 10 November 2003 and having its registered office at 2nd Floor, Block E, Iveagh Court, Harcourt Road, Dublin 2, Ireland, as its alternative investment fund manager pursuant to the AIFM Directive (the "**AIFM**"). The AIFM is responsible for the portfolio management and risk management functions of the Company (which is an 'alternative investment fund' for the purposes of the AIFM Directive). The AIFM is regulated and authorised by the Central Bank of Ireland as an authorised EEA alternative investment fund manager. The Company and the AIFM have entered into the AIFM Agreement pursuant to which the AIFM has been appointed as the alternative investment fund manager to the Company. Further details of the terms of the AIFM Agreement are set out in paragraph 11.1 of Part VII (Additional Information on the Company) of this Prospectus.

The AIFM has delegated the portfolio management functions regarding the Company to the Portfolio Manager. The AIFM will monitor on a continued basis the activities of the third parties to which it has delegated functions. The agreements entered into between the AIFM and the relevant third parties provide that the AIFM can give at any time further instructions to such third parties and that it can withdraw their mandate under certain circumstances. The AIFM's liability towards the Company is not affected by the fact that it has delegated certain functions to third parties.

2. THE PORTFOLIO MANAGER

The AIFM has delegated portfolio management functions in respect of the Company to Gabelli Funds, LLC (the "**Portfolio Manager**"), a limited liability company established under the laws of the State of New York on 9 February 1999 and having its principal office at One Corporate Center, Rye, NY 10580-1422, United States. The Portfolio Manager is a registered investment adviser under the Advisers Act and is regulated by the SEC.

The AIFM, the Company and the Portfolio Manager have entered into the Portfolio Management Agreement pursuant to which the Portfolio Manager has been delegated, subject to the overall supervision of the AIFM, portfolio management functions in respect of the Company's assets from time to time. Further details of the terms of the Portfolio Management Agreement are set out in paragraph 11.2 of Part VII (Additional Information on the Company) of this Prospectus.

The Portfolio Manager is a New York limited liability company which serves as an investment adviser to registered investment companies with combined aggregate net assets approximating US\$23.2 billion as of 31 March 2017. The Portfolio Manager is a registered investment adviser under the Investment Advisers Act of 1940, as amended, and is a wholly owned subsidiary of GAMCO Investors, Inc. ("**GBL**"), a New York corporation, whose Class A Common Stock is traded on the NYSE under the symbol, "GBL". Mr Mario J. Gabelli may be deemed a "controlling person" of the Portfolio Manager on the basis of his controlling interest in GBL. Mr Gabelli owns a majority of the stock of GGCP, Inc. ("**GGCP**"), which holds a majority of the capital stock and voting power of GBL. The Portfolio Manager has several affiliates that provide investment advisory services: GAMCO Asset Management, Inc., a wholly owned subsidiary of GBL, acts as investment adviser for individuals, pension trusts, profit sharing trusts and endowments and for the GAMCO Mathers Fund, and as sub-adviser to certain third party investment funds, which include registered investment companies, and had assets under management of approximately US\$18.5 billion as of 31 March 2017; Teton Advisors, Inc., an affiliate of the Portfolio Manager with assets under management of approximately US\$3.8 billion as of 31 March 2017, acts as investment adviser to The TETON Westwood Funds, the Keeley Teton Funds and separately managed accounts; Gabelli & Company Investment Adviser, Inc. (formerly, Gabelli Securities, Inc.), a wholly owned subsidiary of Associated Capital Group, Inc. ("**ACG**"), 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 US\$1 billion as of 31 March 2017; and Gabelli Fixed Income, LLC, an indirect wholly owned subsidiary of GBL, acts as investment adviser for separate accounts having assets under management of

approximately US\$34 million as of 31 March 2017. Teton Advisors, Inc. was spun off by GBL in March 2009 and is an affiliate of GBL by virtue of Mr Gabelli's ownership of GGCP, the principal stockholder of Teton Advisors, Inc. as of 31 March 2017. Associated Capital was spun off from GBL on 30 November 2015, and is an affiliate of GBL by virtue of Mr Gabelli's ownership of GGCP, the principal shareholder of Associated Capital.

3. PORTFOLIO MANAGER TRACK RECORD

Historical Core Gabelli Merger Arbitrage Performance: Historical Returns

Figure 9 below shows the historical core performance figures for Gabelli Associates Fund, L.P. ("GAF"). GAF is the Gabelli Group's flagship merger arbitrage portfolio, which began trading in 1985. GAF is offered to qualified investors in the United States only. GAF represents the Gabelli Group's longest running core merger arbitrage vehicle, and while the Portfolio Manager believes that GAF's investment strategy is generally indicative of the investment strategy that will be employed the Company, the Company's portfolio will be separately managed. Today, the Gabelli Group manages a variety of merger portfolios with differentiated return characteristics according to individual attributes and objectives. These portfolios include registered collective investment vehicles, partnerships, and separately managed accounts with varying liquidity and client profile characteristics.

Figure 9 presents the historical core performance of GAF on both a gross basis, which is after the actual, historical expenses of GAF but before deducting any management and performance fees; and on a net basis, which deducts both expenses and a management fee of one per cent. per annum and performance fees of 20 per cent. of GAF's profits ("GAF's Fees"). There can be no assurance that the Company's expenses will not be higher than those which GAF has historically incurred. Past performance is no guarantee of future results, prospective investors should see the risk factor entitled "Past performance cannot be relied upon as an indicator of future performance" in the section entitled "Risk Factors" of this Prospectus.

Figure 9: Gabelli Merger Yearly Return Compound Annual Growth Rate: (Core Gabelli Existing Unleveraged)

| | 1-Yr | 3-Yr | 5-Yr | 10-Yr | Inception – 1985 |
|------------------------------------|------|------|------|-------|------------------|
| Annualized Returns | | | | | |
| Gabelli Merger: Core Actual(Net) | 6.4% | 4.0% | 3.6% | 4.0% | 7.7% |
| Gabelli Merger: Core Actual(Gross) | 9.1 | 6.1 | 5.6 | 6.0 | 10.8 |
| Volatility | | | | | |
| Gabelli Merger: Core Actual(Net) | 2.2 | 2.4 | 2.3 | 2.9 | 6.0 |
| Gabelli Merger: Core Actual(Gross) | 2.7 | 2.9 | 2.8 | 3.4 | 6.6 |
| Beta (vs. S&P 500) | | | | | |
| Gabelli Merger: Core Actual (Net) | 0.10 | 0.14 | 0.12 | 0.12 | 0.16 |
| Gabelli Merger: Core Actual(Gross) | 0.12 | 0.17 | 0.15 | 0.15 | 0.18 |

| Year | Gabelli Merger: Core Gross of Fees | | Gabelli Merger: Core Net of Fees | | Year | Gabelli Merger: Core Gross of Fees | | Gabelli Merger: Core Net of Fees | |
|------|---------------------------------------|------------|-------------------------------------|------------|------|---------------------------------------|------------|-------------------------------------|------------|
| | Annual | Cumulative | Annual | Cumulative | | Annual | Cumulative | Annual | Cumulative |
| 2016 | 9.13% | 2,561% | 6.44% | 969% | 2000 | 18.10% | 836% | 13.57% | 428% |
| 2015 | 5.33 | 2,338 | 3.43 | 905 | 1999 | 16.61 | 693 | 12.31 | 365 |
| 2014 | 3.89 | 2,215 | 2.29 | 871 | 1998 | 10.10 | 580 | 7.21 | 314 |
| 2013 | 5.33 | 2,128 | 3.43 | 849 | 1997 | 12.69 | 518 | 9.21 | 286 |
| 2012 | 4.32 | 2,015 | 2.63 | 818 | 1996 | 12.14 | 448 | 8.84 | 253 |
| 2011 | 4.89 | 1,928 | 3.07 | 794 | 1995 | 14.06 | 389 | 10.27 | 225 |
| 2010 | 9.07 | 1,833 | 6.35 | 768 | 1994 | 7.90 | 328 | 5.53 | 195 |
| 2009 | 12.40 | 1,672 | 9.15 | 716 | 1993 | 12.29 | 297 | 8.91 | 179 |
| 2008 | 0.06 | 1,477 | -0.94 | 648 | 1992 | 7.05 | 254 | 4.78 | 156 |
| 2007 | 6.39 | 1,476 | 4.26 | 655 | 1991 | 12.00 | 230 | 8.76 | 145 |
| 2006 | 12.39 | 1,381 | 8.95 | 624 | 1990 | 9.43 | 195 | 6.67 | 125 |
| 2005 | 9.40 | 1,218 | 6.63 | 564 | 1989 | 23.00 | 170 | 17.55 | 111 |
| 2004 | 5.49 | 1,105 | 3.69 | 523 | 1988 | 45.84 | 119 | 35.66 | 79 |
| 2003 | 8.90 | 1,042 | 6.26 | 501 | 1987 | -13.67 | 50 | -14.54 | 32 |
| 2002 | 4.56 | 949 | 2.45 | 466 | 1986 | 33.40 | 74 | 26.13 | 55 |
| 2001 | 7.11 | 903 | 4.56 | 452 | 1985 | 30.47 | 30 | 22.64 | 23 |

It should be noted that the Portfolio Manager has not typically employed leverage for investment purposes in executing the merger arbitrage strategy for GAF. As a result of this, other differences in the way the Company's portfolio may be managed and the difference in

expenses that may be payable by the Company, as well as the fact that past performance is no guarantee of future returns, there is no assurance the historical performance of GAF reflected below will be indicative of the Company's future performance.

Historical Core Gabelli Merger Arbitrage Performance: Back-Tested Historical Returns with Leverage

Figures 10 and 11 below present a hypothetical, back-tested performance for GAF based on GAF's actual, historical performance, and then assuming (i) 100 per cent. leverage of the total assets of GAF, and (ii) a financing cost since inception to GAF equal to the average annual US federal funds rate, plus a spread of 0.45 per cent. These figures are intended to illustrate the expected benefits achievable through the closed ended fund structure. The hypothetical performance figures are presented below on both a gross basis, which is net of the actual, historical expenses of GAF but before deducting GAF's Fees, and on a net basis, which deducts expenses and GAF's Fees.

Figure 10: Gabelli Merger Proposed Yearly Return Compound Annual Growth Rate: (Proposed Back-tested with Leverage)

| Annualized Returns | 1-Yr | 3-Yr | 5-Yr | 10-Yr | Inception – 1985 |
|---|------|------|------|-------|------------------|
| Gabelli Merger: Proposed Backtested (Gross of Fees) | 17.4 | 11.5 | 10.5 | 10.7 | 16.7 |
| Gabelli Merger: Proposed Backtested (Net of Fees) | 12.8 | 8.1 | 7.3 | 7.4 | 12.1 |

Figure 11: Gabelli Merger Arbitrage Proposed Back-Tested Yearly Performance with Leverage

| | Gabelli Merger: Proposed | | Gabelli Merger: Proposed | | | Gabelli Merger: Proposed | | Gabelli Merger: Proposed | |
|------|--------------------------|------------|--------------------------|------------|------|--------------------------|------------|--------------------------|------------|
| | Gross of Fees | | Net of Fees | | | Gross of Fees | | Net of Fees | |
| Year | Annual | Cumulative | Annual | Cumulative | Year | Annual | Cumulative | Annual | Cumulative |
| 2000 | 29.51% | 2,413% | 22.31% | 1,019% | 2016 | 17.42% | 14,052% | 12.76% | 3,738% |
| 1999 | 27.80 | 1,840 | 20.96 | 815 | 2015 | 10.08 | 11,953 | 6.96 | 3,304 |
| 1998 | 14.40 | 1,418 | 10.38 | 657 | 2014 | 7.24 | 10,849 | 4.72 | 3,082 |
| 1997 | 19.47 | 1,227 | 14.38 | 585 | 2013 | 10.11 | 10,110 | 6.98 | 2,939 |
| 1996 | 18.53 | 1,011 | 13.64 | 499 | 2012 | 8.04 | 9,173 | 5.36 | 2,741 |
| 1995 | 21.84 | 837 | 16.25 | 427 | 2011 | 9.23 | 8,483 | 6.29 | 2,596 |
| 1994 | 11.14 | 669 | 7.80 | 354 | 2010 | 17.50 | 7,757 | 12.83 | 2,437 |
| 1993 | 21.11 | 592 | 15.68 | 321 | 2009 | 24.19 | 6,587 | 18.11 | 2,148 |
| 1992 | 10.13 | 471 | 7.00 | 264 | 2008 | -2.26 | 5,284 | -3.24 | 1,804 |
| 1991 | 17.86 | 419 | 13.11 | 240 | 2007 | 7.31 | 5,409 | 4.77 | 1,867 |
| 1990 | 10.31 | 340 | 7.14 | 201 | 2006 | 19.27 | 5,034 | 14.23 | 1,778 |
| 1989 | 36.34 | 299 | 27.71 | 181 | 2005 | 14.80 | 4,204 | 10.69 | 1,544 |
| 1988 | 83.66 | 193 | 65.09 | 120 | 2004 | 9.18 | 3,649 | 6.25 | 1,385 |
| 1987 | -34.45 | 59 | -35.11 | 33 | 2003 | 16.24 | 3,334 | 11.83 | 1,298 |
| 1986 | 59.55 | 143 | 46.04 | 105 | 2002 | 7.00 | 2,854 | 4.53 | 1,150 |
| 1985 | 52.39 | 52 | 40.39 | 40 | 2001 | 9.89 | 2,661 | 6.81 | 1,096 |

While the Portfolio Manager believes this presentation is typical of the amount of leverage the Company will employ and the financing costs the Company will be charged for such leverage, there can be no assurance that the Portfolio Manager will not employ more or less leverage or that the assumed financing costs for such leverage will be available to the Company. Additional leverage may result in more volatility in the performance of the Company than what is reflected in the hypothetical performance represented above. In addition, if the Portfolio Manager cannot obtain financing at an attractive cost, that may result in the Portfolio Manager deciding to reduce leverage from the assumed level. Alternatively, the Portfolio Manager may decide to keep the leverage level constant or to increase it, even at higher financing costs, if the Portfolio Manager believes that is in the Company's best interests. The use of reduced leverage is likely to result in performance figures that do not match those assumed above and higher financing costs will result in a reduction in the Company's performance than what is assumed above.

4. INVESTMENT TEAM

As at the date of this Prospectus, the Portfolio Manager's investment team comprises the following individuals:

Principals of the Portfolio Manager

Mario Gabelli

Mario Gabelli is a dual citizen of the United States and Italy and is the Founder, Chairman and Chief Investment Officer of the Gabelli organisation. 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 Company 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 GBL, offering institutional asset management services through separately managed individual accounts, mutual funds were offered in 1986, the year following the firm's first merger arbitrage hedge fund launch in 1985. Mr Gabelli today still leads the firm's efforts in merger arbitrage investing. 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. 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

Marc Gabelli, a dual citizen of the United States and Italy, is a director, President and Chief Executive Officer of the Portfolio Manager's parent company, GGCP and is a Senior Portfolio Manager at Gabelli. He helped lead the initial public offering of GBL in February 1999 and the public offering of ACG in 2015. His portfolio assignments have included hedge fund management since 1990 and traditional asset management since 1994. He has managed several Morningstar 5 stars mutual funds, and a Lipper #1 ranked global equity mutual fund in the US. His focus is global, catalyst-driven value investing across all market capitalisations and industry sectors. He built the Portfolio Manager's hedge fund platform, Gabelli & Partners, in 1999, and opened the Gabelli London office in 2000 and the Gabelli Tokyo office in 2009. Mr Gabelli started his investment career in the equity arbitrage group of Lehman Brothers International. He holds an MBA from the Massachusetts Institute of Technology 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.

Douglas Jamieson

Douglas Jamieson is a veteran Gabelli executive, having served in executive capacities across the organisation. He currently is the President and Chief Executive Officer of the parent of the Portfolio Manager, NYSE traded GBL. Mr Jamieson's experience spans several decades. He began his career with Gabelli & Company in 1981 as an equity research analyst. He has an MBA in Finance and Accounting from Columbia Business School and a BA in Economics and International Relations from Bucknell University.

Select Research and Management Associates of the Portfolio Manager

Ralph Rocco

Ralph Rocco is a Partner and Senior Portfolio Manager at Gabelli and leads the merger portfolio team. Mr Rocco has extensive merger investing experience that spans three decades. He specialises in all aspects of complex global merger transactions. Ralph has worked directly for Mario Gabelli in merger research since 1993. He holds a BA in Economics from Rutgers University.

Robert Leininger

Robert 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, 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.

Paolo Vicinelli

Paolo Vicinelli was born in Milan, is a dual citizen of Italy and the United States and is a Senior Portfolio Manager and analyst of various portfolios managed by the Gabelli organisation. Mr Vicinelli has over 25 years of investment experience focusing on global special situations and complex merger transactions. He also has extensive knowledge in risk management, securities trading and operations across the structures overseen by Gabelli. Mr Vicinelli is co-author of "*Deals...Deals...and More Deals*", a detailed narrative dedicated to M&A first published by Gabelli University Press in 1999. Mr Vicinelli graduated from Colgate University in 1991, with a BA in History, and received his MBA in Finance from Columbia Business School in 1999.

Willis Brucker

Willis Brucker is a Portfolio Manager and global merger analyst with a specialisation in complex North American merger transactions. Mr Brucker has worked with Ralph Rocco since 2004 analysing merger transactions. Mr Brucker is a graduate of Boston College with a BS in Finance and Accounting.

Brian Keenan

Brian Keenan (Chartered Financial Analyst) is a global Analyst on the merger team. He concentrates on mergers of all capitalisations and sectors, and works extensively with the global research team. He joined the merger group after several years in various parts of the firm. He earned his BBA in Economics and Finance from the University of Miami.

Anthony Lombardi

Anthony Lombardi (Chartered Financial Analyst, Chartered Alternative Investment Analyst) is an Analyst on the merger arbitrage team. He specialises in research intensive transactions. Mr Lombardi is the newest member of the merger team, joining after several years of working across various parts of Gabelli. Mr Lombardi is a graduate of University of Miami where he earned his BS with honours in Finance.

William Gregorio

William Gregorio is the Senior Global Merger Trader for the merger arbitrage portfolios. He has extensive institutional trading experience and has worked in various trading capacities including at Paine Webber and Fleet Bank. Mr Gregorio earned a BA from the University of Albany.

Jeffrey Illustrato

Jeffrey Illustrato is the Chief Operating Officer of Gabelli & Partners and leads the merger portfolio business development, client service and marketing. He has extensive administration and operations experience with Gabelli. He worked exclusively and directly for Mario Gabelli from 2005 through 2012 in client service and marketing. Mr Illustrato received a BS in Finance from Fairfield University.

Brian Sponheimer

Brian Sponheimer currently oversees the Industrial Research Platform for Gabelli. He is also responsible for coverage of Automotive and Capital Equipment, and directs Gabelli's Annual Automotive Aftermarket Symposium, which celebrated its 40th consecutive year in 2016 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

Macrae Sykes is a research analyst covering financial services. He was ranked number one 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

Justin 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 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.

Ryan Kahn

Ryan Kahn, CFA, is an analyst dedicated to the Gabelli merger arbitrage portfolios. He joined the team after working as a generalist in the research department. Mr Kahn earned a Bachelor of Science in Business Management from Babson College.

Gian Maria Magrini

Gian Maria Magrini, CFA, is an analyst dedicated to the Gabelli merger arbitrage portfolios. He joined the team after serving various roles in the firm's operations and research departments. Mr Magrini earned a Bachelor of Science in Finance from Fordham University.

Geoffrey Astle

Geoffrey Astle is involved in the analytics and foreign and domestic trading for the Gabelli merger arbitrage portfolios. Mr Astle earned a Bachelor of Science in both Finance and Marketing from Fairfield University.

Laura Linehan

Laura Linehan, CFA is a Senior Vice President, Portfolio Manager and research analyst responsible for the broadcasting and publishing industries. Ms Linehan has several portfolio management responsibilities at Gabelli. She is a graduate of Lehigh University with a BA in Biology. She also received an MBA from the Wharton School of Business at the University of Pennsylvania, and is a CFA.

Christopher Marangi

Christopher Marangi is Co-Chief Investment Officer of our Value team and a Portfolio Manager of several Gabelli funds. He holds an M.B.A. from Columbia University Graduate School of Business and graduated magna cum laude and Phi Beta Kappa with a BA in Political Economy from Williams College.

Barbara Marcin

Barbara Marcin, CFA, is a senior portfolio manager managing mid and large-cap equities in value style funds and separate accounts. She is responsible for stock selections and portfolio construction. Ms. Marcin, a Chartered Financial Analyst, received an MBA from Harvard University's Graduate School of Business in 1986. She completed her undergraduate studies in 1979 at the University of Virginia where she graduated with Distinction, as an Echols' Scholar.

Evan Miller

Evan Miller, CFA is Managing Director of Gabelli's London office and a specialist in global telecommunications. He has been investing in corporate restructurings, with an emphasis in the telecommunications industry, for over 25 years. Prior to joining Gabelli, he was the Senior European Telecommunications Research Analyst with Lehman Brothers and Credit Suisse First Boston in London. Mr Miller is a Chartered Financial Analyst (CFA). He holds an MBA from the University of Chicago and BA in Economics from Northwestern University. Mr Miller has been registered since 2004 with the FCA to undertake the controlled functions of CF1 Director and CF3 Chief Executive. In addition, Mr Miller is registered to undertake the controlled functions of CF10

compliance oversight and CF11 money laundering reporting.

Ashish Sinha

Ashish Sinha, CFA is a senior research analyst focusing on several sectors including consumer and business services. Mr Sinha holds a Masters in International Business Studies from IIFT, New Delhi. He is a Chartered Financial Analyst (CFA) and is a member of the Financial Analyst Society of London.

Gustavo Pifano

Gustavo Pifano is a research analyst covering global consumer staples. He began his business career with Gabelli & Company in New York before moving to London in 2009 to help lead the firm's European sales and marketing efforts. Gustavo graduated with honours from the University of Miami with a BBA in Finance & Economics and holds an MBA from the University of Oxford.

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

PART IV – DIRECTORS AND ADMINISTRATION

1. DIRECTORS

The Directors are responsible for the determination of the Company's investment policy and investment strategy and have overall responsibility for the Company's activities, including the review of investment activity and performance, and the control and supervision of the AIFM and Portfolio Manager. The Directors have delegated responsibility for the discretionary portfolio management and risk management of Company's assets to the AIFM, who has, in turn, delegated portfolio management responsibilities to the Portfolio Manager. The Portfolio Manager is not required to, and generally will not, submit individual investment decisions for the approval of the Board or the AIFM. All of the Directors are non-executive and Marc Gabelli and Paolo Vicinelli are representatives of the Portfolio Manager.

The Directors will meet as a Board at least quarterly, the Audit Committee will meet at least twice a year and the Management Engagement Committee will each meet at least once a year.

The Directors are as follows:

Marc Gabelli (Chairman)

Further details of Mr Gabelli's experience are set out in paragraph 4 of Part III (The AIFM and the Portfolio Manager) of this Prospectus.

Marco Bianconi

Marco Bianconi, an Italian citizen, is Head of M&A and Corporate Development at Cementir Holding, an international building materials group quoted on the Borsa Italiana S.p.A., where he holds several posts as Chairman and Non-Executive Director of subsidiaries in Malaysia, China, Turkey, Belgium, and Denmark. During his tenure at Cementir and the previous five years as Chief Financial Officer of its parent company, Caltagirone Group, he executed 12 cross-border transactions worth over €2 billion. Previous experiences include seven years at Fidelity Investments in London as Portfolio Manager and Equity Analyst between 1996 and 2003. Mr Bianconi served as Non-Executive Director of ACEA S.p.A, a public Italian utility company, of Banca Antonveneta, one of the top domestic Italian banks, and of MPS Leasing & Factoring. He holds an MBA from New York University's L. Stern School of Business and a BA in Economics at LUISS University in Rome. He is a Certified Public Accountant since 1989.

John Birch

John Birch, a citizen of Denmark and resident of Luxembourg, is a senior financial executive with over 30 years' experience in asset management, international banking and board relationships. Currently, Mr Birch is a Non-Executive Director of Confluence International Analytics and a partner of The Cardinal Partners, Global. From 2005 until 2015, Mr Birch served as the Chief Operating Officer of Sentinel Asset Management and the Chief Financial Officer and Chief Risk Officer of Sentinel Group Company, a multi-billion dollar investment management organisation serving an array of diverse clients. From 2004 to 2005 he was the Head of Transfer Agency, State Street Bank, Luxembourg. Prior to that, Mr Birch held various positions at a number of international banking and asset management institutions. Mr Birch received an MA in Tax from the Administrative College of Denmark, Copenhagen in 1977 and completed a Programme for Management Development at the Harvard Graduate School of Business in 1988.

Kuni Nakamura

Kuni Nakamura was born in Tokyo, Japan. He is the President of Advanced Polymer, Inc., a chemical manufacturing company that was originally a US subsidiary of Shin Etsu Chemical Corporation of Japan. He is also President of KEN Enterprises, Inc., a real estate company. Mr Nakamura has several years of experience with diverse NYSE traded closed end investment companies and is a member of the board of directors of Gabelli's US registered and NYSE listed closed ended funds. Mr Nakamura serves on the Board of Trustees of Mercy College in Dobbs Ferry, New York. He chairs the Endowment Management Committee and is a member of the Audit Committee. He is also involved in various capacities with The University of Pennsylvania and The Guiding Eyes for the Blind. Mr Nakamura is a graduate of the University of Pennsylvania – The

Wharton School with a Bachelor's degree in Economics and Multinational Management.

Yuji Sugimoto

Yuji Sugimoto is a dual citizen of the United States and Japan. He has over 37 years of financial market experience. He is a former Executive Director of Sumitomo Mitsui Banking Corporation where he oversaw the development of the firm's New York based Japanese equity business. Prior to this, Mr Sugimoto co-managed Japanese/Pan-Asian institutional research sales at Barclays and for over 4 years managed a New York based Japanese equity hedge fund which he founded. He began his career at Salomon Brothers where he remained for 24 years working in New York, London, Hong Kong and Tokyo in various research sales and management capacities. Mr Sugimoto received an MBA from the University of Southern California and a B.A. in Economics from Columbia University.

Paolo Vicinelli

Further details of Mr Vicinelli's experience are set out in paragraph 4 of Part III (The AIFM and the Portfolio Manager) of this Prospectus.

2. COMPANY SECRETARY

Maitland Administration Services Ltd. has been appointed as Company Secretary of the Company pursuant to the Company Secretarial Services Agreement, further details of which are set out in paragraph 11.5 of Part VII (Additional Information on the Company) of this Prospectus. The Company Secretary will be responsible for the general company secretarial functions required by the Act (including, but not limited to, making all such returns and filings on behalf of the Company as may be required by the Act). Prospective investors should note that the Company Secretary is not permitted to provide any investment advice to investors.

3. ADMINISTRATOR

State Street Bank and Trust Company has been appointed as Administrator of the Company pursuant to the Administration Services Agreement, further details of which are set out in paragraph 11.6 of Part VII (Additional Information on the Company) of this Prospectus. The Administrator will be responsible for the day to day administration of the Company (including but not limited to the maintenance of the Company's books of accounts and financial records and the calculation of the daily NAV and NAV per Share). Prospective investors should note that the Administrator is not permitted to provide any investment advice to investors.

4. DEPOSITARY

State Street Trustees Limited has been appointed as Depositary of the Company pursuant to the Depositary Agreement, further details of which are set out in paragraph 11.4 of Part VII (Additional Information on the Company) of this Prospectus, for the purposes of and in compliance with the AIFM Directive and the relevant FCA Rules. The Depositary is a private limited company incorporated in England and Wales with registered number 2982384 and having its registered office at 20 Churchill Place, London E14 5HJ. The principal business activity of the Depositary is the provision of depositary services. The Depositary will perform those duties prescribed to depositaries under the AIFM Directive. The Depositary is regulated by the FCA. The Depositary provides services to the Company as set out in the Depositary Agreement and, in doing so, shall comply with the AIFM Directive, the relevant FCA Rules and the terms of this Prospectus.

5. CUSTODIAN

The Depositary may delegate its safekeeping functions subject to the terms of the Depositary Agreement. The Depositary has delegated safekeeping duties as set out in the AIFM Directive and the FCA Rules to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK, whom it has appointed as its global sub-custodian.

6. REGISTRAR

Computershare Investor Services Plc has been appointed as the Company's registrar pursuant to

the Registrar Services Agreement, further details of which are set out in paragraphs 11.7 of Part VII (Additional Information on the Company) of this Prospectus. The Registrar will be responsible for the maintenance of the Company's register of members, dealing with routine correspondence and enquiries, and the performance of all the usual duties of a registrar in relation to the Company.

7. RECEIVING AGENT

Computershare Investor Services Plc has been appointed the Company's receiving agent pursuant to the Receiving Agent Agreement, further details of which are set out in paragraphs 11.8 of Part VII (Additional Information on the Company) of this Prospectus. The Receiving Agent will accept responsibility for, inter alia, receiving the application for Shares and the application monies, holding application cheques in a secure area to present them for payment and receiving and checking conversion instructions.

8. AUDITOR

The auditor to the Company will be Pricewaterhouse Coopers LLP of 7 More London Riverside, London SE1 2RT. Pricewaterhouse Coopers LLP is independent of the Company and is registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales.

The auditor's responsibility is to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards. The Company's annual report and accounts will be prepared according to IFRS.

9. FEES AND EXPENSES

Initial Expenses

The formation and initial expenses of the Company are those that are necessary for: (i) the establishment of the Company; (ii) the Placing; and (iii) Admission (the "**Initial Expenses**"). The Initial Expenses to be borne by the Company (which include registration, listing and admission fees, costs associated with printing, advertising and distribution costs, commissions and professional advisory fees, including legal fees, and any other applicable expenses) will be capped at 2 per cent. of the Gross Proceeds. Accordingly, as at the date of this Prospectus, on Admission, the opening NAV per Share is expected to be US\$9.80 and, on the basis that the Minimum Gross Proceeds are raised, the Minimum Net Proceeds will be US\$24.5 million.

To the extent that the Initial Expenses do not exceed 2 per cent. of the Gross Proceeds, they will be borne by the Company in full and will be expensed in the Company's first accounting period.

The Portfolio Manager has agreed that, in the event that the Initial Expenses exceed 2 per cent. of the Gross Proceeds, such excess will be borne by the Portfolio Manager.

Any Distributor may charge a fee to potential investors in relation to services rendered in connection with the Placing and such fees payable may differ as between investors. Such fees will be borne by the relevant investors and not by the Company.

Ongoing expenses of the Company

The Company will also incur ongoing expenses, which are expected (on the assumption that Gross Proceeds of US\$200 million are raised pursuant to the Placing) initially to be equivalent to approximately 1.25 per cent. of the Net Asset Value annually (excluding, for these purposes, any Performance Fee which may be payable to the Portfolio Manager pursuant to the Portfolio Management Agreement).

Ongoing expenses borne by the Company include, but are not limited to, the fees of the Directors and the service providers, as well as general operational expenses.

Foreseeable fees and expenses (as set out in detail below) have been included in the above estimation. Some expenses are, however, either irregular or calculated using formulae that contain variable components. This makes them difficult to ascertain in advance or to estimate. These expenses have been excluded from the above estimation. For this reason, the maximum amount of fees, charges and expenses that Shareholders will bear in relation to their investment in the Company cannot be determined in advance.

The ongoing expenses factored into the above estimation include the fees of the following persons:

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. The Directors' remuneration is US\$15,000 per annum for each Director, other than:

- the Chairman, who will receive an additional US\$1,000 per annum;
- the chairman of the Audit Committee, who will receive an additional US\$5,000 per annum; and
- the members of the Audit Committee, who will receive an additional US\$1,000 per annum.

Each of the Directors is also entitled to be paid all reasonable expenses properly incurred by them in connection with the performance of their duties. These expenses will include those associated with attending general meetings, Board or committee meetings and legal fees. 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.

AIFM Fee

In consideration of the services to be provided by the AIFM under the AIFM Agreement, the AIFM will be entitled to receive from the Company such annual fees, accrued and payable at such times, as may be agreed in writing between itself and the Company from time to time. The annual fees will be payable monthly out of the assets of the Company as follows:

- (A) up to 0.05 per cent. per annum of the first €500 million in Net Asset Value;
- (B) 0.04 per cent. per annum of the Net Asset Value that exceeds €500 million and up to €750 million;
- (C) 0.03 per cent. per annum of the Net Asset Value that exceeds €750 million and up to €1 billion; and
- (D) 0.02 per cent. per annum of the Net Asset Value that exceeds €1 billion,

provided that if the above does not compute to a monthly fee of at least €2,500, then instead of using the above chart for that month, the fee shall be €2,500.

Management Fee

Under the terms of the Portfolio Management Agreement, the Portfolio Manager will be entitled to a management fee ("**Management Fee**"), together with reimbursement of reasonable expenses incurred by it in the performance of its duties under the Portfolio Management Agreement, other than the salaries of its employees and general overhead expenses attributable to the provision of the services under the Portfolio Management Agreement.

The Management Fee shall be accrued daily and calculated on each Business Day at a rate equivalent to 0.85 per cent. of NAV per annum ("**MF Calculation Date**").

Performance Fee

The Portfolio Manager shall be entitled to earn a Performance Fee (as defined below) under the Portfolio Management Agreement. The Portfolio Manager is entitled to assign such Performance Fee to one of its Affiliates at any time. The Performance Fee shall be payable on the following basis.

Subject to the satisfaction of the Performance Conditions, the Portfolio Manager (or, where the Portfolio Manager so directs, any Affiliate of the Portfolio Manager) shall be entitled, in respect of each Performance Period, to receive 20 per cent. of the Total Return relating to such Performance Period, provided that such amount shall not exceed three per cent. of the Average NAV.

The amounts payable to the Portfolio Manager (or its Affiliate) in accordance with this paragraph, being the "**Performance Fee**".

Performance Conditions

The Portfolio Manager's entitlement to a Performance Fee in respect of any Performance Period shall be conditional on the Closing NAV per Share in respect of the Performance Period (adjusted for any changes to the NAV per Share through dividend payments, Share repurchases (howsoever effected) and Share issuances since Admission) being in excess of:

Performance Hurdle

- (i) an amount calculated as set out below; and

High water mark

- (ii) the Closing NAV per Share in respect of the last Performance Period in respect of which a Performance Fee was payable to the Portfolio Manager (or an Affiliate) by the Company (adjusted for any changes to the NAV per Share through dividend payments, Share repurchases (howsoever effected) and Share issuances from Admission to the end of such Performance Period),

(the "**Performance Conditions**").

Definitions

For the purpose of calculating the Performance Fee:

- (xi) "**Average NAV**" means the weighted average of the Company's NAV at the end of each day during the Performance Period;
- (xii) "**Closing NAV per Share**" means the NAV per Share on the last Business Day of the relevant Performance Period (which shall not, for the avoidance of doubt, be adjusted for any Performance Fee accrued in relation to such Performance Period);
- (xiii) "**First Performance Period**" means the period from Admission up to and including 30 June 2018;
- (xiv) "**Month**" means a calendar month;
- (xv) "**NAV per Share**" means the Net Asset Value divided by the number of Shares in issue (excluding any Shares held in treasury) at the relevant time;
- (xvi) "**Performance Hurdle**" means, in relation to each Performance Period, "A" multiplied by "B", where:

"A" is equal to the Starting NAV per Share increased by two times the rate of return on 13 week Treasury Bills published by the US Department of the Treasury over the Performance Period, less the Starting NAV per Share; and

"B" is the weighted average of the number of Shares in issue (excluding any Shares held in treasury) at the end of each day during the Performance Period;

- (xvii) "**Performance Period**" means the First Performance Period and/or a Subsequent Performance Period, as the context so requires;
- (xviii) "**Starting NAV per Share**" means the NAV per Share on the first Business Day of each Performance Period (which, for the avoidance of doubt, shall be net of any accrued but unpaid Performance Fees for any previous Performance Periods but shall not be reduced by any dividends paid during such Performance Period which were declared in respect of any previous Performance Period);
- (xix) "**Subsequent Performance Period**" means each 12-Month period subsequent to the First Performance Period, commencing on the relevant 1 July and ending on the relevant 30 June (inclusive), provided that the last Performance Period will end on the date on which the Portfolio Management Agreement is terminated;
- (xx) "**Total Return**" means, in relation to each Performance Period, "C" multiplied by "D", where:

"C" is the difference between the Starting NAV per Share and the Closing NAV per Share (with the Closing NAV per Share being adjusted for any changes to the NAV per Share

through dividend payments, Share repurchases (howsoever effected) and Share issuances during the relevant Performance Period); and

"D" is the weighted average of the number of Shares in issue (excluding any Shares held in treasury) at the end of each day during the Performance Period.

The Performance Fee for a given Performance Period shall be paid within 10 Business Days following the end of such Performance Period.

Company Secretary

In consideration for its services, the Company Secretary is entitled to receive a fee (exclusive of VAT) which comprises a fixed component and a variable component. The fees is payable on a monthly basis in arrears. The Company will be charged a fixed fee of £25,000 in Year 1 and £35,000 in each subsequent year. The variable fee component will be charged at one-twelfth of 0.01 per cent. of the most recently published Net Asset Value prior to the date on which the fees for a given month are calculated provided that such Net Asset Value exceeds £100 million.

Administrator

Under the terms of the Administration Services Agreement, the Administrator is entitled to such costs, expenses, disbursements as may be agreed upon by the Company and the Administrator from time to time in a separate fee schedule. Fee will be payable monthly in arrears, exclusive of VAT.

The Administrator is currently entitled to an annual fee payable monthly in arrears out of the assets of the Company as follows:

- (A) 0.04 per cent. per annum of the first US\$125 million in Net Asset Value;
- (B) 0.03 per cent. per annum of the Net Asset Value that exceeds US\$125 million, up to US\$500 million; and
- (C) 0.02 per cent. per annum of any portion of the Net Asset Value that exceeds US\$500 million,

provided that if the above does not compute to a fee of at least US\$75,000 in a given year following the first anniversary of Admission, then the fee payable to the Administrator in that year shall be US\$75,000.

Depository

As compensation for the services performed and the facilities and personnel provided by the Depository pursuant to the Depository Agreement, the Company shall pay an annual fee of 0.025 per cent. per annum of the gross assets of the Company which will be calculated and accrued daily and billed and payable monthly in arrears.

Custodian

State Street Bank and Trust Company, in its capacity as the Custodian, is entitled to: (i) an annual safekeeping fee, billed and payable monthly, in the range of 0.005 – 0.075 per cent. per annum of the gross assets of the Company; and (ii) a transaction fee in the range of US\$12.5 – US\$30 per portfolio trade settled (inclusive of sub-custodian expenses), provided that the minimum annual fee payable to the Custodian shall not be less than US\$31,250.

Registrar

Under the terms of the Registrar Services 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 reasonable out of pocket costs, expenses and charges properly incurred on behalf of the Company.

Other operational expenses

Other ongoing operational expenses that will be borne by the Company include the auditor's fees, corporate broker fees, legal fees, other advisory fees, listing fees of the FCA (if any), fees of the London Stock Exchange and TISE, fees for public relations services, D&O insurance premiums, printing costs and fees for website maintenance.

10. POTENTIAL CONFLICTS OF INTEREST

Directors

In relation to transactions in which a Director is interested, the Articles provide that, as long as the Director discloses to the Board the nature and extent of any material interest, the Director may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested and may be a director or other officer of, or employed by, or a party to any transaction with, any body corporate in which the Company is interested, and shall not, by reason of their office, be accountable to the Company for any benefit they derive from any such office, employment, transaction or arrangement and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

The AIFM

The AIFM and 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 AIFM or such other funds. The Directors have satisfied themselves that the AIFM has procedures in place to address confidentiality and potential conflicts of interest and that, where a conflict arises, the AIFM will allocate the opportunity on a fair basis and in accordance with its conflict of interest policy.

The Portfolio Manager

The Portfolio 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 Portfolio Manager. The Board has satisfied itself that the Portfolio Manager has procedures in place to address potential conflicts of interest and that, where a conflict arises, the Portfolio Manager will allocate the opportunity on a fair basis.

When potential conflicts of interest arise the Portfolio 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 Portfolio 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 US companies 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 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 Portfolio Manager or their advisory accounts have or acquire a significant position in the same securities. However, the Portfolio 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 Portfolio 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 Portfolio Manager or its Affiliates have a substantial pecuniary interest. The Portfolio 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 GBL.

Under the Portfolio Management Agreement, whenever the Portfolio Manager buys or sells financial instruments or other assets for which best execution is relevant, it shall act in the best interests of the Company it manages or the Shareholders when placing orders to deal on behalf of the Company with other entities for execution, in the context of the management of the Company's portfolio. In this context, the Portfolio Manager shall comply *mutatis mutandis* with the same duties

and obligations as those imposed on the AIFM pursuant to Article 28 of the AIFM Regulation. The Portfolio Manager may: (i) direct Company portfolio brokerage to G.research, LLC, a broker-dealer member of the Financial Industry Regulatory Authority, Inc. and an Affiliate of the Portfolio Manager; and (ii) pay commissions to brokers other than G.research, LLC which are higher than what might be charged by another qualified broker to obtain brokerage and/or research services considered by the Portfolio Manager to be useful or desirable in relation to its portfolio management services for the Company and/or other advisory accounts under the management of the Portfolio Manager and any investment adviser affiliated with it. The Portfolio Manager does not consider the sales of Shares of the Company or other investment funds managed by the Portfolio Manager and its Affiliates by brokers, including G.research, LLC, 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 US 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 over the counter 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 Portfolio Manager will effect transactions with those brokers and dealers who the Portfolio Manager believes can obtain the most favourable prices and are capable of providing efficient executions. If the Portfolio 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 Portfolio Manager. In doing so, the Company may also pay higher commission rates than the lowest available when the Portfolio 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 Portfolio 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 Portfolio 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 Portfolio 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 Portfolio Manager but does not reduce the overall expenses of the Portfolio 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 Portfolio 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 Portfolio 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 Portfolio Manager may also place orders for the purchase or sale of portfolio securities with G.research, LLC when it appears that, as an introducing broker or otherwise, G.research, LLC 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, LLC 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, LLC 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, LLC 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, LLC and settled directly with State Street Bank and Trust Company, as the global sub-custodian, by a clearing house member firm which remits the commission less its clearing charges to G.research, LLC. G.research, LLC 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 Depositary

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its Affiliates engage in activities under the Depositary Agreement or under separate contractual or other arrangements. Such activities may include:

- (i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company;
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its Affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its Affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;
- (iv) may provide the same or similar services to other clients including competitors of the Company;
- (v) may be granted creditors' rights by the Company which it may exercise.

The Company may use an Affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances the Depositary's Affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The Depositary's Affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Company. The Depositary's Affiliate shall enter into such transactions on the terms and conditions agreed with the Company.

Where cash belonging to the Company is deposited with an Affiliate of the Depositary being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The AIFM may also be a client or counterparty of the Depositary or its Affiliates.

Potential conflicts that may arise in the Depositary's use of sub-custodians include four broad categories:

- (i) conflicts from the sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depositary may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;
- (ii) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;
- (iii) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and
- (iv) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholders.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a "Standard of Conduct" that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

11. TAKEOVER CODE

The Takeover Code will apply to the Company on Admission. For more information, see paragraph 7 of Part VII (Additional Information on the Company) of this Prospectus.

12. CORPORATE GOVERNANCE

As a company admitted to trading on the Specialist Fund Segment, the Company is not required to comply with the UK Corporate Governance Code. Nevertheless, the Directors place great importance on ensuring that high standards of corporate governance are maintained. Accordingly, the Directors will take appropriate measures to ensure that the Company operates with due consideration to any codes of corporate governance that the Board deems appropriate and may choose to operate in accordance with the AIC Code of Corporate Governance for Investment Companies (the "**AIC Code**"), having regard to the Company's size and nature of business.

In particular, although the Chairman is not independent for the purposes of the AIC Code, given his qualifications and investment experience, and the significant commitment being made by the Gabelli Group to the Company, the Board believes that his appointment as Chairman is in the best interests of the Company and the shareholders as a whole. Investors should note the information provided in this Prospectus in relation to the relationships between the Chairman and the Gabelli

Group and should note that the Chairman intends, where appropriate, to comply with best practice in matters involving conflicts of interest.

Audit Committee

The Company has established an Audit Committee, which will be chaired by Marco Bianconi and consists of Mr Bianconi and Kuni Nakamura. The Audit Committee will meet at least twice a year. The Board considers that the members of the Audit Committee have the requisite skills and experience to fulfil the responsibilities of the Audit Committee. The Audit Committee will examine the effectiveness of the Company's control systems. It will review the half-yearly and annual reports of the Company and will also receive information from the AIFM and Portfolio Manager. The Audit Committee will review the scope, results, cost effectiveness, independence and objectivity of the external auditor. It will also review the valuations of all unlisted investments, and make recommendations to the Board for approval.

Management Engagement Committee

The Company has established a Management Engagement Committee, which will be chaired by John Birch and consists of Mr Birch and Kuni Nakamura. The Management Engagement Committee will meet at least once a year, or more often, if required. Its principal duties will be to consider the continued appointment of the AIFM and Portfolio Manager and it will annually review that appointment, along with the continued appointment of the Company's other service providers.

Remuneration Committee

The Company has established a Remuneration Committee, which will be chaired by Kuni Nakamura and consists of Mr Nakamura, John Birch and Marco Bianconi. The Remuneration Committee will meet at least once a year, or more often, if required. The Remuneration Committee will: (i) set the Directors' remuneration levels in conjunction with the Chairman; (ii) judge where to position the Company relative to other companies; and (iii) consider the need to appoint external remuneration consultants.

Nomination Committee

The Company has established a Nomination Committee, which will be chaired by Marc Gabelli and consists of Mr Gabelli, Yuji Sugimoto and John Birch. The Nomination Committee will meet at least once a year, or more often, if required. The Nomination Committee will vote on candidates for the appointment of new directors; provided, however, that: (i) the Chairman shall not chair the Nomination Committee when it is dealing with the appointment of a successor to the chairmanship; and (ii) only independent directors shall vote on candidates for the appointment of new independent directors.

Conflicts Committee

The Company has established a Conflicts Committee, which will be chaired by John Birch and consists of Mr Birch, Yuji Sugimoto and Marco Bianconi. The Conflicts Committee will meet at least once a year, or more often, if required. The Conflicts Committee will consider the potential conflicts of interest that may arise in relation to the operations of the Company in respect of the Directors, the AIFM, the Portfolio Manager and other service providers of the Company and review, and make recommendations on, the compliance policies and procedures that have been adopted by AIFM, the Portfolio Managers and other service providers of the Company.

PART V – ISSUE ARRANGEMENTS

1. THE PLACING

The Company is targeting a minimum initial capital raise of US\$25 million before expenses (the "**Minimum Gross Proceeds**"), through the Placing of Shares at US\$10 per Share (the "**Placing Price**"). Assuming the Minimum Gross Proceeds are raised, the Company intends to invest the Net Proceeds in the acquisition of investments sourced by the Portfolio Manager in accordance with the Company's investment objective and investment policy.

The Placing is being carried out in order to provide investors with the opportunity to invest in a diversified portfolio of investments (as described in the Company's investment objective and investment policy) through the medium of an investment trust. The Company expects to be fully invested within 180 trading days after Admission.

The latest time and date for receipt of placing commitments under the Placing is 5.00 pm on 12 July 2017 or such other date as may be determined by the Company, with the Placing closing at 5.00 pm on 14 July 2017. In order to subscribe for Shares under the Placing, each Placee may be required by the Company or any Distributor to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as the Company or any Distributor (in its absolute discretion) sees fit. The Company or any Distributor may also require any such Placee to execute such additional subscription documentation (including any know-your-client or anti-money laundering documentation and, if a Placee wishes to be entered into the Loyalty Register on Admission, a form of election in the form prescribed by the Company) as the Company or any Distributor (in its absolute discretion) sees fit. The terms and conditions which will apply to any Placee for Shares pursuant to the Placing are contained in Part VIII (Terms and Conditions of the Placing) of this Prospectus.

The minimum subscription for investors pursuant to the Placing is US\$1,000. There is no maximum subscription, unless notified to investors. Each Placee will be required to undertake that any cheque or other remittance accompanying its placing commitments will be honoured on first presentation at or following such time directed by or on behalf of the Company.

The Placing is conditional on:

- (i) Admission occurring by 8.00 am on 19 July 2017 (or such later date, not being later than the Long Stop Date, as the Company may determine); and
- (iii) the Minimum Gross Proceeds (and, consequently, the Minimum Net Proceeds) being raised.

Consequently, potential investors should note that Admission is conditional on the Minimum Net Proceeds being raised.

The Company may appoint one or more entities to act as distributors ("**Distributors**") for the Placing pursuant to distribution agreements to be entered into between the Company and such Distributors. It is expected that, under the terms of these distribution agreements, each Distributor will agree to use its reasonable endeavours to procure subscribers for Shares pursuant to the Placing at the Placing Price, in consideration for which, the Company may pay such Distributor a commission. In addition, a Distributor may charge a fee to potential investors in relation to services rendered in connection with the Placing and such fees payable may differ as between investors. Such fees will be borne by the relevant investors and not by the Company.

The summary of the form of distribution agreement expected to be entered into between the Company and each Distributor is set out in paragraph 11.3 of Part VII (Additional Information on the Company) of this Prospectus. Investors should note that although the principal terms of the distribution agreements entered into by the Company in connection with the Placing will be materially similar, there may be some differences between distribution agreements entered into by the Company with different Distributors.

2. ADMISSION

Application has been made to the London Stock Exchange and the TISE for the Shares in issue and to be issued pursuant to the Placing to be admitted to be admitted: (i) to trading on the

Specialist Fund Segment; and (ii) to listing and trading on the Official List of the TISE.

The Company does not guarantee that, at any particular time, market maker(s) will be willing to make a market in the Shares or any class of 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 NAV per Share and there can be no guarantee as to the liquidity of the Shares on the Specialist Fund Segment.

As a company with its shares admitted to listing on the TISE, the Directors will comply with the Model Code of the TISE and will take all reasonable and proper steps to ensure compliance by applicable employees as required by the TISE Listing Rules. The Directors and the Company will also comply at all times with the applicable provisions of the TISE Listing Rules.

Admission is expected to take place at 8.00 am on 19 July 2017, at which time the Shares issued in connection with the Placing would be admitted to CREST. Where applicable, definitive share certificates in respect of the Shares are expected to be despatched by post at the risk of the recipients, to the relevant holders, in the week beginning 31 July 2017. The Shares are in registered form and can also be held in uncertificated form. Prior to the despatch of definitive share certificates in respect of any Shares which are held in certificated form, transfers of those Shares will be certified against the Register. No temporary documents of title will be issued.

Specialist Fund Segment

The Specialist Fund Segment (previously known as the Specialist Fund Market) is a part of the London Stock Exchange's EU regulated market. Pursuant to its admission to the Specialist Fund Segment, the Company will be subject to the Prospectus Rules, the Disclosure Guidance and Transparency Rules (as implemented in the UK through FSMA) and the Market Abuse Regulation.

3. REVOCATION OF PLACING

The Placing may be revoked by the Company if Admission does not occur by 8.00 am on 19 July 2017 (or such later date as the Company may determine, being in any event not later than the Long Stop Date). or, if earlier, on the date on which the Placing ceases to be capable of becoming unconditional. Any such revocation will be announced by the Company through an RIS as soon as practicable after the Company has decided to revoke the Placing.

Should the Placing be aborted or fail to complete for any reason, following the abort or failure monies received will be returned without interest at the risk of the applicant to the bank account from which the monies were received.

4. SCALING BACK

The maximum number of Shares to be issued under the Placing is 20,000,000. In the event that aggregate applications for Shares under the Placing were to exceed the maximum size, it would be necessary to scale back applications. The Company reserves the right, in its sole discretion to scale back applications in such amounts as it considers appropriate. The Company reserves the right to decline in whole or in part any application for Shares pursuant to the Placing. Accordingly, applicants for Shares under the Placing may, in certain circumstances, not be allotted the number of Shares for which they have applied.

The Company will notify investors of the number of Shares in respect of which their application has been successful and the results of the Placing will be announced by the Company on 17 July 2017 via an RIS announcement.

Subscription monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant to the bank account from which the monies were received.

5. CLEARING AND SETTLEMENT

Payment for Shares should be made in accordance with settlement instructions to be provided to applicants by (or on behalf of) the Company. Money received from applicants shall be held in a separate, non-interest bearing account pending allocation or allotment of Shares. To the extent that any application for Shares is rejected in whole or in part (whether by scaling back or otherwise),

monies received will be returned without interest at the risk of the applicant to the bank account from which the monies were received. Pending any such return, monies will be held in a separate, non-interest bearing account.

Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST from Admission. Dealings in Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. In the case of Shares to be issued in uncertificated form pursuant to the Placing, these will be transferred to successful applicants through the CREST system. Accordingly, settlement of transactions in the Shares following Admission may take place within the CREST system if any shareholder so wishes.

CREST is a paperless book-entry settlement system operated by Euroclear which enables securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

It is expected that the Company will arrange for Euroclear to be instructed on the date of Admission to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share register of the Company.

The transfer of Shares within the CREST system following the Placing should be arranged directly through CREST. However, an investor's holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an uncertificated holding in definitive registered form. If a Shareholder or transferee requests Shares to be issued in certificated form and is holding such Shares outside CREST, a share certificate will be despatched either to him or his nominated agent (at his risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Shares. Shareholders holding definitive certificates may elect at a later date to hold such Shares through CREST or in uncertificated form provided they surrender their definitive certificates.

6. LEGAL IMPLICATIONS OF THE CONTRACTUAL RELATIONSHIP ENTERED INTO FOR THE PURPOSE OF INVESTMENT

The Company is a public 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. Shareholders' rights in respect of their investment in the Company are governed by the Articles and the Act. 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 their own legal advisers.

Jurisdiction and applicable law

As noted above, Shareholders' rights are governed principally by the Articles and the Act. By subscribing for Shares under the Placing, investors agree to be bound the Articles which are governed by, and construed in accordance with, the laws of England and Wales.

Recognition and enforcement of foreign judgments

Regulation (EC) 593/2008 ("**Rome I**") must be applied in all member states of the EU (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 courts 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. 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 Lugano Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters of 30 October 2007, the Administration of Justice Act 1920, and the Foreign Judgments (Reciprocal Enforcement) Act 1933 may apply. There are no legal instruments providing for the recognition and enforcement of judgments obtained in jurisdictions outside those covered by the instruments listed above, although such judgments might be enforceable at common law.

7. OVERSEAS PERSONS AND RESTRICTED TERRITORIES

The attention of potential investors who are not resident in, or who are not citizens of, the UK is drawn to the sections below.

The offer of Shares under the Placing to Overseas Persons may be affected by the laws of other 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 acquire Shares under the Placing. It is the responsibility of all Overseas Persons receiving this Prospectus 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.

In particular, none of the Shares have been or will be registered under the laws of any Restricted Territory. Accordingly, the Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Restricted Territory unless an exemption from any registration requirement is available.

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

Persons (including, without limitation, nominees and trustees) receiving this Prospectus should not distribute or send it to any jurisdiction where to do so would or might contravene local securities laws or regulations.

Investors should additionally consider the provisions set out under the section entitled "*Important Notices*" on page 38 of this Prospectus.

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

The Company reserves the right to treat as invalid any agreement to subscribe for Shares under the Placing 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.

8. TRANSFER RESTRICTIONS

The Company has elected to impose the restrictions described below in paragraph 9 of this Part V (Issue Arrangements) of this Prospectus on the future trading of the Shares: (i) so that the Company will not be required to register the Shares under the Securities Act; (ii) so that the Company will not have an obligation to register as an "investment company" under the Investment Company Act and related rules; (iii) so that the Company will not violate the provisions of the AIFM Directive as implemented in the UK; and (iv) to address certain ERISA, US Tax Code and other considerations. These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of Shareholders to trade in the Shares. The Company and its agents will not be obliged to recognise any resale or

other transfer of the Shares made other than in compliance with the restrictions described below.

9. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

Unless otherwise expressly agreed with the Company, each acquirer of Shares pursuant to the Placing and each subsequent transferee, by acquiring Shares or a beneficial interest therein, will be deemed to have represented, warranted, undertaken, agreed and acknowledged to each of the Company, the AIFM, the Portfolio Manager, the Registrar and the relevant Distributor (if applicable) that:

- (a) it is located outside the United States, it is not a US Person, it is acquiring the Shares in an "offshore transaction" meeting the requirements of Regulation S and it is not acquiring the Shares for the account or benefit of a US Person;
- (b) the Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, transferred or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the Investment Company Act;
- (c) the Company has not been and will not be registered under the Investment Company Act and, as such, investors will not be entitled to the benefits of the Investment Company Act and the Company has elected to impose restrictions on the Placing and on the future trading in the Shares to ensure that the Company is not and will not be required to register under the Investment Company Act;
- (d) if in the future it decides to offer, sell, transfer, assign, pledge or otherwise dispose of the Shares or any beneficial interest therein, it will do so only: (i) in an "offshore transaction" complying with the provisions of Regulation S to a person outside the United States and not known by the transferor to be a US Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof. It acknowledges and agrees that any offer, sale, transfer, assignment, pledge or other disposal made other than in compliance with the foregoing restrictions will be subject to the compulsory transfer provisions contained in the Articles;
- (e) it is not, and is not acting on behalf of, a Benefit Plan Investor unless its purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of any such substantially similar law;
- (f) it is acquiring the Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;
- (g) it is aware and acknowledges that the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person's status under US federal securities laws and to require any such person that has not satisfied the Company that the holding by such person will not violate or require registration under US federal securities laws to transfer such Shares or interests in accordance with the Articles;
- (h) Shares issued in certificated form will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

"GABELLI MERGER PLUS⁺ TRUST PLC (THE "COMPANY") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES 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 UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED

STATES. ACCORDINGLY, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE MAY NOT BE OFFERED, SOLD, ASSIGNED, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (I) IN AN "OFFSHORE TRANSACTION" COMPLYING WITH THE PROVISIONS OF REGULATION S UNDER THE SECURITIES ACT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A "US PERSON" AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("US PERSON"), BY PREARRANGEMENT OR OTHERWISE, OR (II) TO THE COMPANY OR A SUBSIDIARY THEREOF, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE INVESTMENT COMPANY ACT AND IN ACCORDANCE WITH ALL APPLICABLE LAWS. ANY OFFER, SALE, ASSIGNMENT, PLEDGE OR OTHER TRANSFER MADE OTHER THAN IN COMPLIANCE WITH THE FOREGOING RESTRICTIONS WILL BE SUBJECT TO THE COMPULSORY TRANSFER PROVISIONS SET OUT IN THE ARTICLES OF THE COMPANY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THIS SECURITY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE COMPANY'S SECURITIES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK.";

- (i) the representations, warranties, undertakings, agreements and acknowledgements contained in this Prospectus are irrevocable and it acknowledges that the Company, its Affiliates and its directors, officers, employees, advisers and others will rely upon the truth and accuracy of the representations, warranties, undertakings, agreements and acknowledgements contained herein;
- (j) if any of the representations, warranties, undertakings, agreements or acknowledgements contained herein are no longer accurate or have not been complied with, it will immediately notify the Company; and
- (k) if it is acquiring any Shares as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and it has full power to make, and does make, the representations, warranties, undertakings, agreements and acknowledgements contained herein on behalf of each such account.

PART VI – TAXATION

1. UK TAXATION

Introduction

The following statements are based upon current UK tax law and what is understood to be the current published practice of HMRC, both of which are subject to change, possibly with retrospective effect. The statements are intended only as a general guide and may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes or Shareholders who have (or are deemed to have) acquired their Shares by virtue of an office or employment, who may be subject to special rules. They apply only to Shareholders resident (and, in the case of individuals, domiciled) for UK tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents), who hold Shares as an investment rather than trading stock and who are the absolute beneficial owners of those Shares.

The information contained in this Prospectus relating to UK taxation matters is a summary of the UK taxation matters which the Directors consider should be brought to the attention of prospective investors and is based upon the UK tax law and published HMRC practice and is subject to changes therein (possibly with retrospective effect). All potential investors, and in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Shares under the laws of their country and/or state of citizenship, domicile or residence.

The Company

The Directors have applied to, and obtained approval (conditional on Admission) from, HMRC as an investment trust company and intend at all times to conduct the affairs of the Company so as to enable it to satisfy the conditions necessary for it to be eligible as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 (as amended). However, neither the Portfolio Manager nor the Directors can guarantee that this eligibility will be maintained. One of the conditions for a company to qualify as an investment trust is that it is not a "close company" for UK tax purposes. 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 is approved by HMRC as an investment trust, the Company will be exempt from UK taxation on its chargeable gains. The Company will, however, (subject to what follows) be liable to UK corporation tax on its income in the normal way. Income arising from overseas investments may be subject to foreign withholding taxes at varying rates, but double taxation relief may be available. 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 Corporation Tax Act 2009.

An investment trust approved under Chapter 4 of Part 24 of the Corporation Tax Act 2010, or one that intends to seek such approval and which has a reasonable belief that such approval will be obtained, 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). 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 should be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period. The Company does not intend to elect for the "streaming" regime to apply to the dividend payments.

Shareholders

Taxation of chargeable gains

A disposal of Shares (including a disposal on a winding up of the Company) by a Shareholder who is resident in the UK for tax purposes, or who is not so resident but carries on a trade in the United

Kingdom through a branch agency or permanent establishment in connection with which their investment in the Company is used, held or acquired, may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

For the purposes of UK tax on chargeable gains, the amounts paid by a Shareholder for Shares will generally constitute the base cost of his holdings in those Shares.

UK-resident and domiciled individual Shareholders have 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 £11,300 for the tax year 2017 – 2018. For such individual Shareholders, capital gains tax will be chargeable on a disposal of Shares at the applicable rate (the current rate being 10 per cent. for basic rate taxpayers or 20 per cent. for higher or additional rate taxpayers).

Generally, an individual Shareholder who has ceased to be resident in the UK for tax purposes for a period of five years or less and who disposes of Shares during that period may be liable on their return to the UK to UK taxation on any chargeable gain realised (subject to any available exemption or relief). Special rules apply to Shareholders who are subject to tax on a "split-year" basis, who should seek specific professional advice if they are in any doubt about their position.

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to corporation tax at the rate of corporation tax applicable to that Shareholder (currently at a rate of 19 per cent. from 1 April 2017 and reducing to 17 per cent. from 1 April 2020) on chargeable gains arising on a disposal of their Shares. Indexation allowance may apply to reduce the amount of chargeable gain that is subject to corporation tax but may not create or increase any allowable loss.

Shareholders who are neither resident in the United Kingdom, nor temporarily non-resident for the purposes of the anti-avoidance legislation referred to above, and who do not carry on a trade in the United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected, should not be subject to United Kingdom taxation on chargeable gains on a disposal of their Shares.

Taxation of dividends – individuals

Non "interest distributions"

In the event that the Directors do not elect for the "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.

Significant changes have been made to the income tax treatment of dividends with effect from 6 April 2016, with the dividend tax credit abolished and replaced with a nil rate of income tax on the first £5,000 of dividend income in a tax year (the "**Nil Rate Amount**"). Any dividend income received by a UK resident individual Shareholder in excess of the Nil Rate Amount will be subject to income tax at a rate of 7.5 per cent. to the extent that it is within the basic rate band, 32.5 per cent. to the extent that it is within the higher rate band and 38.1 per cent. to the extent that is within the additional rate band. The Government announced in the Spring Budget 2017 that it would reduce the Nil Rate Band to £2,000 from 1 April 2018.

Dividend income that is within the Nil Rate Amount counts towards an individual's basic or higher rate limits – and will therefore affect the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the Nil Rate Amount. In calculating into which tax band any dividend income over the Nil Rate Amount falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

"Interest distributions"

Should the Directors elect to apply the "streaming" regime to any dividends paid by the Company,

a UK tax resident individual Shareholder in receipt of such a dividend would be treated for UK tax purposes as though they had received a payment of interest. Such a Shareholder would be subject to UK income tax at the applicable rate (the current rates being 0 per cent., 20 per cent., 40 per cent. or 45 per cent., depending on the level of the Shareholder's income). The Company will not be required to withhold tax at source when paying such distributions.

Taxation of dividends – corporations

Non "interest distributions"

In respect of dividends to which the Directors have not elected for the "streaming" regime to apply a corporate Shareholder who is tax resident in the UK or carries on a trade in the UK through a permanent establishment in connection with which its Shares are held will be subject to UK corporation tax on the gross amount of any dividends paid by the Company, unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009. It is anticipated that dividends paid on the Shares to UK tax resident corporate Shareholders would generally (subject to anti-avoidance rules) fall within one of those exempt classes, however, such Shareholders are advised to consult their independent professional tax advisers to determine whether such dividends will be subject to UK corporation tax. If the dividends do not fall within any of the exempt classes, the dividends will be subject to tax at a rate of 19 per cent. from 1 April 2017 and reducing to 17 per cent. from 1 April 2020.

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

"Interest distributions"

If, however, the Board did elect for the "streaming" rules to apply, and corporate Shareholders within the charge to corporation tax were to receive dividends designated by the Company as "interest distributions", they would be subject to corporation tax on any such amounts received. The dividends would be subject to tax at a rate of 19 per cent. from 1 April 2017 and reducing to 17 per cent. from 1 April 2020. The Company will not be required to withhold tax at source when paying such distributions.

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 ("SDRT")

Transfers on sale of existing Shares held in certificated form will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the amount or value of the consideration given for the transfer (rounded up to the nearest £5). However, an exemption from stamp duty will be available on an instrument transferring existing Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. The purchaser normally pays the stamp duty.

An unconditional agreement to transfer existing Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. However, if a duly stamped or exempt 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 existing 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 (but in practice the cost will be passed on to the purchaser). Deposits of Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration in the form of money or money's worth.

The issue of new Shares pursuant to the Placing should not generally be subject to UK stamp duty or SDRT.

Following the European Court of Justice decision in *C-569/07 HSBC Holdings plc and Vidacos Nominees Limited v The Commissioners for Her Majesty's Revenue & Customs* and the First-tier

Tax Tribunal decision in *SBC Holdings Plc and The Bank of New York Mellon Corporation v The Commissioners for Her Majesty's Revenue & Customs* has confirmed that 1.5 per cent. SDRT is no longer payable when new shares are issued to a clearance service or depositary receipt system.

Where Shares are transferred (as opposed to issued): (a) to, or to a nominee or an agent for, a person whose business is or includes the provision of clearance services; or (b) to, or to a nominee or an agent for, a person whose business is or includes issuing depositary receipts, stamp duty or SDRT will generally be payable at the higher rate of 1.5 per cent. of the amount or value of the consideration given (rounded up in the case of stamp duty, if necessary, to the next £5) or, in certain circumstances, the value of the Shares. Any liability for stamp duty or SDRT in respect of a transfer into a clearance service or depositary receipt system, or in respect of a transfer within such a service, which does arise, will strictly be accountable by the clearance service or depositary receipt system operator or their nominee, as the case may be, but will, in practice, be payable by the participants in the clearance service or depositary receipt system. There is an exception from the 1.5 per cent. charge on the transfer to, or to a nominee or agent for, a clearance service where the clearance service has made and maintained an election under section 97A(1) of the Finance Act 1986, which has been approved by HMRC. In these circumstances, SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer will arise on any transfer or sale of Shares into such an account and on subsequent agreements to transfer such Shares within such account.

ISAS, SIPPS AND SSASS

Shares issued by the Company should be eligible to be held in a stocks and shares New ISA, subject to applicable annual subscription limits (£20,000 in the tax year 2017 – 2018).

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 tax resident individuals aged 18 or over.

Selling shares within an ISA to reinvest would not count towards the Shareholder's annual limit and for "flexible" ISAs (which does not include junior ISAs) Shareholders may be entitled to withdraw and replace funds in their stocks and shares ISA, in the same tax year, without using up their annual subscription limit.

Shares should be eligible for inclusion in a self-invested personal pension ("**SIPP**") or a small self-administered scheme ("**SSAS**"), subject to the discretion of the trustees of the SIPP or the SSAS, as the case may be.

Individuals wishing to invest in Shares through an ISA, SSAS or SIPP should contact their professional advisers regarding their eligibility.

Information Reporting

The UK has entered into international agreements with a number of jurisdictions which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, an Inter-Governmental Agreement with the United States in relation to FATCA, International Tax Compliance Agreements with Guernsey, Jersey, the Isle of Man and Gibraltar and agreements regarding the OECD's global standard for automatic and multilateral exchange of information between tax authorities, known as the "Common Reporting Standard". The UK is also subject to obligations regarding mandatory automatic exchange of information in the field of taxation pursuant to EU Council Directive 2014 / 107 /EU, which implements the Common Reporting Standard in the EU member states. In connection with such international agreements and obligations the Company may, among other things, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to tax authorities in other jurisdictions in accordance with the relevant international agreements.

2. ITALIAN TAXATION

General

The following summary, which should be read as whole, is given as a general guide to the Italian tax treatment of the Company and of an investment in the Company, and all references to taxes

that follow are to Italian taxes except where the context otherwise requires. This summary does not address all possible tax consequences relating to an investment in the Company or to particular categories of Shareholder, save where expressly mentioned below, some of whom may be subject to specific tax rules.

The following statements on taxation are based on law and practice in force in Italy at the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made will endure indefinitely. Applicants should seek appropriate advice on the tax consequences for them of an investment in the Company, including those applicants who are, or may be, resident for Italian or local tax purposes outside Italy as they may be subject to local taxes in such jurisdictions.

The information set out below is a summary of certain limited aspects of the Italian tax consequences of an investment in the Company by Italian resident taxpayers and it does not purport to be a comprehensive description of all the tax issues that may be relevant to a decision to invest in the Company.

This summary does not describe any tax consequences arising under the laws of any State, locality or taxing jurisdiction other than Italy, and is based on the tax laws of Italy as in effect on the date of the Prospectus, as well as regulations, rulings and decisions of its taxing and other authorities available on or before such date and now in effect. All of the foregoing is subject to change, which could apply retroactively and could affect the continued validity of this summary.

Because it is a general summary, Italian Shareholders should consult their own tax advisors as to the Italian or other tax consequences of the investment in the Company, including, in particular, the application to their specific situations of the tax considerations discussed below, as well as the application of state, local, foreign or other tax laws.

This summary assumes that the Company is not resident, nor deemed to be resident; in Italy for tax purposes and do not (and will not at any time) have a permanent establishment in Italy.

Taxation of Italian resident Shareholders

Pursuant to Article 10-ter of the Law 23 March 1983, No. 77, a 26 per cent. withholding tax is applied on proceeds arising in Italy from the participation in collective investment schemes ("organismi di investimento collettivo del risparmio") ("**OICRs**"), other than real estate investment funds, units or shares of which are marketed in Italy pursuant to Article 42 of TUF, and are compliant with AIFM Directive and established in EU Member States or states in the European Economic Area.

The withholding is applied by the intermediaries entrusted with the payments on the proceeds distributed during the participation in the investment scheme and on the proceeds included in the difference between the redemption, transfer or settlement value of the Shares and the subscription or purchase average weighted value of the same.

In relation to individual Shareholders that do not acquire Shares in connection with entrepreneurial activity and with reference to the subjects specified in the last period of the 4th paragraph of Article 10-ter of Law 23 March 1983, No. 77, as amended and supplemented, the withholding is applied as a final withholding tax. The withholding is applied as an advance withholding tax in relation to the other subjects included in the 4th paragraph referred to above. In the event that the relevant proceeds have been achieved abroad, please refer to the provisions included under Article 10-ter and following of the mentioned Law. For the purposes of the application of the 26 per cent. withholding tax, a transfer of Shares to another holder is deemed to be a taxable transfer and a switch from a sub-fund to another sub-fund of the same company (i.e. switch transaction) is deemed to be a repayment. In such events, the taxpayer provides the necessary funds to the subject obliged to withhold the tax.

The deduction does not apply to the individual portfolio management where the Shareholder has entrusted the management of his financial assets, including the Shares, to an authorised intermediary and has opted for the application of the so-called Risparmio Gestito regime pursuant to Article 7 of the Legislative Decree No. 461/1997.

The proceeds arising from the participation to the Company are calculated net of the proportion of the proceeds referable to bonds and other public debt securities set forth under Article 31 of the Decree of the President of the Republic 4 September 1973, No. 601 and assimilated, to bonds issued by the Countries included in the list included in the Ministerial Decree 4 September 1996 and to bonds issued by local entities of such Countries ("**Public Qualified Securities**").

Stamp duty

Financial products (including the quotas of collective investment schemes) are subject to a stamp duty equal to 0.2 per cent., payable on an annual basis. Such tax is applied on the market value of the financial product or, in the absence of a market value, on the nominal value or the redemption amount. If the Shareholder is not an individual, the maximum stamp duty payable is EUR 14,000.

Wealth tax on securities deposited abroad

A wealth tax on the value of the financial assets deposited abroad (including, inter alia, the shares of collective investment schemes) is applied to Italian resident individuals. Such wealth tax amounts to 0.2 per cent. payable on an annual basis. The taxable basis is the market value, calculated at the end of each calendar year in the place where the relevant financial assets are held and, in the absence of a market value, the nominal value or the redemption value. A deduction of a tax credit equal to the amount of the wealth tax (if any) paid to the country where the relevant financial assets are held applies.

Inheritance and Gift Taxes

A transfer resulting from inheritance or donation is not subject to taxation if it falls within one of the following limits: (i) in the event of a transfer in favour of the spouse or a direct line relative, the value of the Shares to be transferred is equal to, or lower than, EUR 1,000,000 for each beneficiary; or (ii) in event of a transfer in favour of a sibling, the value of the Shares to be transferred is equal to, or lower than, EUR 100,000 for each beneficiary.

In relation to transfers for inheritance or donation purposes other than those listed above tax is payable at the following rates:

- in the case of a transfer in favour of the spouse or a direct line relative: 4 per cent. (on the value exceeding EUR 1,000,000 for each beneficiary);
- in the case of a transfer in favour of a sibling: 6 per cent. (on the value exceeding EUR 100,000 for each beneficiary);
- in the case of a transfer in favour of other relatives within the 4th degree, relatives in law in direct and collateral line within the 3rd degree: 6 per cent.; and
- in the case of a transfer in favour of other subjects: 8 per cent.

If a transferee is a disabled person with "serious" disability pursuant to Law 5 February 1992, No. 104, the exempted threshold is EUR 1,500,000. The payment of inheritance and donation taxes shall be made directly by the transferee.

3. OTHER TAXES

The Company and its investors may be subject to other taxes, such as the alternative minimum tax, and estate, inheritance or intangible property taxes that may be imposed by various jurisdictions, as well as withholding or gains taxes. Each prospective investor should consider the potential consequences of such taxes on an investment in the Company. It is the responsibility of each prospective investor to satisfy itself as to, among other things, the legal and tax consequences of an investment in the Company, under the laws of the state(s) of its domicile and its residence, by obtaining advice from its own tax counsel or other adviser, and to file all appropriate tax returns that may be required.

THE LEGAL COUNSEL AND ACCOUNTANTS OF THE COMPANY SHOULD NOT BE DEEMED TO REPRESENT THE INVESTORS. EACH INVESTOR SHOULD CONSULT ITS OWN LEGAL, TAX, ACTUARIAL AND ACCOUNTING ADVISERS WITH RESPECT TO ITS INVESTMENT IN THE COMPANY.

PART VII – ADDITIONAL INFORMATION ON THE COMPANY

1. INCORPORATION OF THE COMPANY

- 1.1 The Company is a public limited company incorporated in the United Kingdom. It was registered in England and Wales under the Act on 28 April 2017 with registered number 10747219. The Company has received a certificate under section 761 of the Act entitling it to commence business and to exercise its borrowing powers. The Company has given notice to the Registrar of Companies that it intends to carry on business as an investment company under section 833 of the Act.
- 1.2 Save for its entry into the material contracts summarised in paragraph 11 of this Part VII (Additional Information on the Company) of this Prospectus and certain non-material contracts, since its incorporation, the Company has not commenced operations, has not declared any dividend and no financial statements have been made up. The Company is resident for tax purposes in the United Kingdom and has no employees.
- 1.3 The principal activity of the Company is to invest its assets in accordance with the investment policy set out in Part I (The Company) of this Prospectus. The Company has no reserves.
- 1.4 The Company operates under the Act and is not regulated as a collective investment scheme by the FCA. Its registered office and principal place of business is at 64 St. James's Street, London SW1A 1NF, and the statutory records of the Company will be kept at this address. The Company's telephone number is +44 (0) 20 3206 2100.

2. PRINCIPAL ACTIVITIES OF THE COMPANY

- 2.1 The Company has applied to, and obtained approval (conditional on Admission) from, HMRC as an investment trust company and intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of Chapter 4 of Part 24 of the Corporation Tax Act 2010 (as amended) and the Investment Trust (Approved Company) (Tax) Regulations 2011 (as amended). In summary, the conditions that must be met for a company to be approved as an investment trust for an accounting period are that, in relation to that accounting period:
- 2.1.1 all, or substantially all, of the business of the company is to invest its funds in shares, land or other assets with the aim of spreading investment risk and giving members of the company the benefit of the results of the management of its funds;
 - 2.1.2 the shares making up the company's equity share capital (or, if there are such shares of more than one class, those of each class) are admitted to trading on a regulated market;
 - 2.1.3 the company is not a venture capital trust or a company UK Real Estate Investment Trust (or "**REIT**");
 - 2.1.4 the company is not a "close company" (as defined in section 439 of the Corporation Tax Act 2010 (as amended)); and
 - 2.1.5 subject to particular rules that may apply where the company has accumulated revenue losses brought forward from previous accounting periods, the company does not retain an amount which is greater than the higher of: (i) 15 per cent. of its income for the accounting period; and (ii) any amount of income that the company is required to retain in respect of the accounting period by virtue of a restriction imposed by law.

3. THE AIFM

The AIFM, Carne Global Fund Managers (Ireland) Limited, a limited liability company incorporated under the laws of Ireland is the Company's alternative investment fund

manager under the AIFM Directive. The AIFM is regulated and authorised by the Central Bank of Ireland as an authorised EEA alternative investment fund manager. The registered office of the AIFM is at 2nd Floor, Block E, Iveagh Court, Harcourt Road, Dublin 2, Ireland and its telephone number is +3531 4896800.

4. THE PORTFOLIO MANAGER

Gabelli Funds, LLC, a limited liability company established under the laws of the State of New York has been delegated portfolio management functions in relation to the Company by the AIFM. It is registered as an investment adviser with the SEC under the Advisers Act. The principal office of the Portfolio Manager is at One Corporate Center, Rye, NY 10580-1422 and its telephone number is +1 914 921 5135.

5. SHARE CAPITAL

5.1 Shares and Redeemable Preference Shares

5.1.1 The ISIN of the Shares is GB00BD8P0741 and the SEDOL is BD8P074. The ticker symbol of the Company is GMP.

5.1.2 On incorporation, the share capital of the Company was US\$0.01 represented by 1 Share of a nominal value of US\$0.01, which was held by the Initial Shareholder. On 5 June 2017, in order to allow the Company to commence business and to exercise its borrowing powers under section 761 of the Act, the Initial Shareholder subscribed for, and was issued, 5,000,000 Redeemable Preference Shares of nominal value of £0.01 each, thereby increasing the Company's share capital by £50,000.

5.1.3 The following table shows the issued share capital of the Company as at the date of this Prospectus:

| | <i>Nominal Value per Share</i> | <i>Number</i> |
|------------------------------|------------------------------------|---------------|
| Shares | US\$0.01 | 1 |
| Redeemable Preference Shares | £0.01 | 5,000,000 |

5.1.4 The Shares to be issued pursuant to the Placing will be issued in accordance with the Articles and the Act.

5.1.5 Set out below is the issued share capital of the Company as it will be following the Placing (assuming that 20,000,000 Shares are allotted pursuant to the Placing and following the cancellation of Redeemable Preference Shares):

| | <i>Nominal Value per Share</i> | <i>Number</i> |
|--------|------------------------------------|---------------|
| Shares | US\$0.01 | 20,000,000 |

5.1.6 All Shares either are or will, on Admission, be fully paid.

5.2 Issue and Repurchases of Shares

5.2.1 By special resolutions to be passed shortly before Admission:

- (A) the Directors will be authorised to allot ordinary shares in connection with the Placing up to an aggregate nominal amount of US\$1 million, such authority to expire at the end of the period of five years from the date of the passing of that resolution;
- (B) the Directors will be empowered to allot ordinary shares as referred to in sub-paragraph (A) above on a non-pre-emptive basis provided that this power will expire upon the expiry of the authority to allot ordinary shares referred to in sub-paragraph (A) above;

- (C) the Directors will be authorised to allot ordinary shares up to an aggregate nominal amount equal to the difference between the nominal amount of the ordinary shares issued under the Placing and US\$1 million, such authority to expire at the end of the period of five years from the date of the passing of that resolution;
- (D) the Directors will be empowered to allot ordinary shares as referred to in sub-paragraph (C) above on a non-pre-emptive basis provided that this power will expire upon the expiry of the authority to allot ordinary shares referred to in sub-paragraph (C) above;
- (E) the Directors will be authorised to exercise all the powers of the Company to grant rights to subscribe for Special Voting Loyalty Shares, which rights attach to the ordinary shares to be allotted pursuant to sub-paragraphs (A) to (D) above, with the aggregate nominal value of Special Voting Loyalty Shares that may be allotted pursuant to the rights not exceeding US\$10 million, such authority to expire at the end of the period of five years from the date of the passing of this resolution;
- (F) the Company will be authorised to make market purchases of ordinary shares on such terms and in such manner as the Directors may from time to time determine, provided that:
 - (1) the maximum number of ordinary shares authorised to be acquired other than pursuant to an offer made to Shareholders generally is equal to 14.99 per cent. of the number of ordinary shares in issue immediately following Admission;
 - (2) the minimum price which may be paid for any ordinary share is US\$0.01;
 - (3) the maximum price which may be paid for any ordinary share is the higher of: (i) an amount equal to 105 per cent. of the average of the middle market quotations for an ordinary share as derived from the London SEDOL for the five Business Days immediately preceding the day on which such ordinary share is contracted to be purchased; and (ii) the higher of (a) the price of the last independent trade and (b) the highest current independent bid for an ordinary share in the Company on the trading venues where the market purchases by the Company pursuant to the authority conferred by that resolution will be carried out; and
 - (4) such authority shall expire at the conclusion of the first annual general meeting of the Company, unless previously renewed, varied or revoked by the Company in general meeting;
- (G) the Company will be authorised to make market purchases of Shares in relation to the Fifth Anniversary Tender Offer on such terms and in such manner as the Directors may determine, provided that:
 - (1) the maximum number of Shares authorised to be acquired is the lesser of: (i) 20,000,000 Shares; or (I) the number of Qualifying Shares in issue as at the date on which Shares are repurchased pursuant to the Fifth Anniversary Tender Offer;
 - (2) the minimum price which may be paid for any Share is US\$0.01;
 - (3) the maximum price which may be paid for any Share shall be an amount equal to the most recently reported Net Asset Value per Share as at the date on which the Shares are purchased pursuant to the Fifth Anniversary Tender Offer; and

- (4) such authority shall expire on the fifth anniversary of the resolution as set out in this paragraph (G), save that the Company may, prior to such expiry, enter into contract to purchase Shares which will or may be completed or executed wholly or partly after such expiry;
 - (H) it will be resolved, conditionally upon: (i) the Company having sufficient paid-up share capital to maintain its status as a public limited company and to comply with the conditions of section 761 of the Act; and (ii) the approval of the courts of England and Wales, to cancel the Redeemable Preference Shares; and
 - (I) it will be resolved, conditionally upon: (i) the Placing occurring; and (ii) the approval of the court, that the amount standing to the credit of the share premium account of the Company immediately following the Placing be cancelled.
- 5.2.2 The cancellation of the Company's share premium account will enable the Directors to make share repurchases out of the Company's distributable reserves to the extent considered desirable by the Directors. The Company may, where the Directors consider it appropriate, use the reserve created by the cancellation of its share premium account to pay dividends.
- 5.2.3 Subject as provided elsewhere in this Prospectus and in the Articles, the ordinary shares are freely transferable.
- 5.2.4 There are no pre-emption rights relating to the ordinary shares in the Articles. Statutory pre-emption rights in the Act apply, save to the extent dis-applied by Shareholders as referred to in paragraph 5.2.1 above or otherwise.
- 5.2.5 Save as disclosed in this Prospectus, since the date of its incorporation, no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital. Save as disclosed in this Prospectus, since the date of its incorporation, no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 5.2.6 The Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST from Admission. In the case of Shares to be issued in uncertificated form, these will be transferred to successful applicants through CREST. Accordingly, settlement of transactions in the Shares following Admission may take place within CREST if any Shareholder so wishes.

5.3 **Redemptions at the option of Shareholders**

Save in relation to the Fifth Anniversary Tender Offer (in connection with which see paragraph 7 of Part I (The Company) of this Prospectus for more details), there is no right or entitlement attaching to the Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder.

6. **MEMORANDUM AND ARTICLES OF ASSOCIATION**

6.1 **Memorandum**

The Memorandum does not restrict the objects of the Company.

6.2 **Articles of Association**

The following definitions apply for the purposes of this paragraph 6 in addition to, or (where applicable) in substitution for, the definitions applicable elsewhere in this Prospectus:

"Beneficial Owner" has the meaning given to it in paragraph 6.2.21(A)(1)

| | |
|--|--|
| "Change of Control" | means in relation to a holder that is not a natural person shall occur when, through a transaction or a series of related transactions, (i) a majority of the voting interests of such holder, (ii) the de facto ability to direct the casting of a majority of the votes exercisable at general meetings of shareholders of such holder and/or (iii) the ability to appoint or remove a majority of the directors, executive directors or board members or executive officers of such holder or to direct the casting of a majority or more of the voting rights at meetings of the board of directors, governing body or executive committee of such holder, has been transferred to a new owner. No change of control shall be deemed to have occurred if (i) the transfer of ownership and/or control is an intragroup transfer under the same parent company or (ii) the transfer of ownership and/or control is the result of the succession or the liquidation of assets between spouses or the inheritance, inter vivo donation or other transfer to a spouse or a relative up to and including the fourth degree; |
| "Continuing Confirmation" | has the meaning given to it in paragraph 6.2.21(A)(2) |
| "Conversion Date" | means, in any calendar year, such date(s) as the Board may determine in accordance with the articles |
| "Converting Shares" | means ordinary shares in respect of which valid Conversion Notices have been received and accepted, and which are to be reclassified pursuant to the Articles |
| "Default Shares" | has the meaning given to it in paragraph 6.2.11 |
| "Director Resolution" | has the meaning given to it in paragraph 6.2.8(B)(1) |
| "Disqualifying Transfer" | has the meaning given to it in paragraph 6.2.21(A)(3) |
| "Event of Default" | has the meaning given to it in paragraph 6.2.21(E)(1) |
| "Non-Certifying Shareholder" | has the meaning given to it in paragraph 6.2.8(B)(1) |
| "Non-Qualified Holder" | has the meaning given to it in paragraph 6.2.14(G) |
| "Qualifying Period" | has the meaning given to it in paragraph 6.2.21(B)(1) |
| "Registered Holder" or "holder" | means, in relation to shares, the member whose name is entered in the register of members as the holder of the shares |
| "Resulting Shares" | means Ordinary Shares arising from a reclassification of Converting Shares pursuant to Article 16 of the Company's Articles |

The Articles contain (among others) provisions to the following effect:

6.2.1 Life

The Company has been established with an unlimited life. The Articles provide,

however, that a continuation resolution be put to Shareholders as an ordinary resolution at the first annual general meeting of the Company to be held following the fifth anniversary of Admission. If the resolution is not passed, then the Board will be required to put proposals for the reconstruction, reorganisation or winding up of the Company to the Shareholders for their approval within six months of the date of the general meeting at which the continuation resolution was proposed.

6.2.2 Issue of Shares

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

6.2.3 Alteration to Share capital

The Company may by ordinary resolution consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares and sub-divide its shares, or any class of them, into shares of smaller nominal amount than its existing shares and determine that, as between shares arising from that sub-division, any of the shares have any preference or advantage as compared with the others.

6.2.4 Share classes

The Company may, from time to time, issue ordinary shares of different classes, in which case, the directors shall, for the purposes of determining the Net Asset Value for each class of ordinary share, establish a separate class account (in such currency as the directors may determine) in the books of the Company for each such class of ordinary share and each of the separate class accounts shall be designated by reference to each class of ordinary share as appropriate. Shareholders may, at the Board's discretion, have the ability, in accordance with the provisions set out in the Articles, to convert ordinary shares of any class into ordinary shares of another class.

6.2.5 Redemption of Shares

Any share may be issued which is or is to be liable to be redeemed at the option of the Company or the holder, and the Directors may determine the terms, conditions and manner of redemption of any such share.

6.2.6 Dividends

- (A) Subject to the provisions of the Act and the Articles, the Directors may by ordinary resolution declare dividends. No dividends shall exceed the amount recommended by the Board. Subject to the provisions of the Act and the Articles, the Directors may pay interim dividends, or dividends payable at a fixed rate, if it appears to them that such dividends are justified by the profits of the Company available for distribution.
- (B) Subject to the provisions of the Act and the Articles, all dividends shall be declared and paid according to the amounts paid-up on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as at a particular date, it shall rank for dividend accordingly. In any other case, dividends shall be apportioned and paid proportionately to the amount paid-up on the shares during any portion(s) of the period in respect of which the dividend is paid.
- (C) Notwithstanding any other provision of the Articles, but without prejudice to the rights attached to any shares, the Company may fix a date and time as the record date by reference to which a dividend will be declared or paid or a distribution, or allotment or issue of shares, made. No dividends or other money payable in respect of a share shall bear interest

against the Company, unless otherwise provided by the rights attached to the ordinary share.

- (D) The Directors may, with the authority of an ordinary resolution of the Company and in accordance with the Articles, offer any holders of shares the right to elect to receive new shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the directors) of any dividend specified by the ordinary resolution.

6.2.7 **Distribution of assets on a winding up**

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

6.2.8 **Voting rights**

- (A) Subject to sub-paragraph (B) below and any rights or restrictions attached to any class of shares, on a show of hands every Shareholder present in person at a meeting has one vote and every proxy present who has been duly appointed by a Shareholder entitled to vote has one vote, and on a poll every Shareholder (whether present in person or by proxy) has one vote for every share of which they are the holder. A Shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use the same way. In the case of joint holders, the vote of the senior who tenders a vote shall be accepted to the exclusion of the vote of the other joint holders, and seniority shall be determined by the order in which the names of the holders appear in the Register.

(B)

- (1) In respect of any resolution to appoint or remove a Director (a "**Director Resolution**"), each Shareholder of Shares and Special Voting Loyalty Shares shall be required to certify that, at the time of the general meeting (or any adjournment thereof) at which the relevant Director Resolution is tabled, at the time of signifying agreement to the proposed resolution: (a) it is not a US Person and it reasonably believes it is not a US Resident; and (b) to the extent that it holds Shares and Special Voting Loyalty Shares shall for the account or benefit of any other person, such other person is not a US Person and it reasonably believes such other person is not a US Resident. Each Shareholder of Shares and Special Voting Loyalty Shares that does not so certify at the relevant time in a manner satisfactory to the Board is referred to in this paragraph as a "**Non-Certifying Shareholder**".
- (2) For the purposes of calculating the number of votes which Non-Certifying Shareholders are entitled to cast on a Director Resolution, if and to the extent that, in the absence of this paragraph:

$$"A" > (49/100) \times "B"$$

then the aggregate total of votes which Non-Certifying Shareholders are entitled to cast shall be reduced so that "D" is the whole number nearest to but not exceeding:

"C" X (49/51)

Where the aggregate number of votes actually cast by Non-Certifying Shareholders (whether on a show of hands or on a poll or on a written resolution) "for" and "against" the relevant Director Resolution when added to the aggregate number of votes withheld by Non-Certifying Shareholders in respect of such Director Resolution exceeds "D", then the number of: (a) aggregate votes cast "for"; (b) aggregate votes cast "against"; and (c) aggregate votes withheld in respect of, such Director Resolution by Non-Certifying Shareholders, will each be reduced *pro rata* until the sum of (a), (b) and (c) above is equal to the whole number nearest to but not exceeding "D". Where the aggregate number of votes actually cast (whether on a show of hands or on a poll) and votes withheld, in each case by Non-Certifying Shareholders, is equal to or less than "D", then each of such votes actually cast or votes withheld (as applicable) shall be counted and no reductions shall occur.

- (3) For the purposes of the foregoing:

"A" is the aggregate total of votes which Non-Certifying Shareholders are entitled to cast, whether on a show of hands or on a poll, on the relevant Director Resolution prior to the operation of this paragraph;

"B" = A + C

"C" is the aggregate total of votes which Shareholders of Shares and Special Voting Loyalty Shares (other than Non-Certifying Shareholders) are entitled to cast, whether on a show of hands or on a poll, on the relevant Director Resolution; and

"D" is the aggregate total of votes Non-Certifying Shareholders are entitled to cast, whether on a show of hands or on a poll, on the relevant Director Resolution, following the operation of this paragraph (B).

- (4) The Directors may specify other requirements and/or vary the requirements of this paragraph (B) as they in their discretion consider necessary or appropriate to give effect to the limitation herein, but such restrictions shall only be implemented when the Directors in good faith believe that: (a) to not do so may result in a regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or its Shareholders as a whole; and (b) the exercise of such power would not disturb the market in those Shares.

- (C) No Shareholder of Shares or of Special Voting Loyalty Shares shall have any right to vote at any general meeting or at any separate meeting of the holders of any class of Shares, either in person or by proxy, in respect of any Share held by them unless all amounts presently payable by them in respect of that Share have been paid.

6.2.9 General Meetings

- (A) General meetings may be called by the Directors. If there are not sufficient Directors to form a quorum in order to call a general meeting, any Director may call a general meeting. If there is no Director, any Shareholder may call a general meeting.
- (B) Subject to the provisions of the Act, an annual general meeting and all other general meetings of the Company shall be called by at least such minimum period of notice as is prescribed or permitted under the Act.
- (C) No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a Shareholder or a proxy for a Shareholder or a duly authorised representative of a corporation which is a Shareholder (including for this purpose two persons who are proxies or corporate representatives of the same Shareholder), shall be a quorum.
- (D) A Shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. A Shareholder may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. Subject to the provisions of the Act, any corporation (other than the Company itself) which is a Shareholder may, by resolution of its directors or other governing body, authorise any person(s) to act as its representative(s) at any meeting of the Company, or at any separate meeting of the holders of any class of shares. Delivery of an appointment of proxy shall not preclude a Shareholder from attending and voting at the meeting or at any adjournment of it.
- (E) Directors may attend and speak at general meetings and at any separate meeting of the holders of any class of shares, whether or not they are Shareholders.
- (F) A poll on a resolution may be demanded at a general meeting either before a vote on a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

6.2.10 Redeemable Preference Shares

Redeemable Preference Shares are not entitled to receive any dividend or distribution made or declared by the Company except for a non-cumulative fixed annual dividend equal to 0.00001 per cent. of their issue price. Save where there are no other shares of the Company in issue, Redeemable Preference Shares shall carry no right to attend, receive notice of or to vote at any general meeting of the Company. On a winding up of the Company, the holder of a Redeemable Preference Share shall be entitled to be repaid the capital paid-up thereon *pari passu* with the repayment of the nominal amount of the shares.

6.2.11 Restrictions on rights: failure to respond to a section 793 notice

If a Shareholder, or any other person appearing to be interested in shares held by that Shareholder, has been given a notice under section 793 of the Act and has failed in relation to any shares (the "**Default Shares**") to give the Company the information thereby required within 14 days of the notice, sanctions shall apply unless the Directors determine otherwise. The sanctions available are the suspension of the right to attend or vote (whether in person or by representative or proxy) at any general meeting of Shareholders or any separate meeting of the holders of any class of shares or on any poll and, where the Default Shares represent at least 0.25 per cent. of their class (excluding treasury shares), the withholding of any dividend payable in respect of those Default Shares and the restriction of the transfer of any Default Shares (subject to certain exceptions).

6.2.12 **Untraced Shareholders**

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

6.2.13 **Borrowing powers**

The Directors shall restrict the borrowings of the Company so as to secure that the aggregate principal amount (including any premium payable on final repayment) outstanding of all money borrowed by the Company shall not at any time when any borrowing is drawn down, save with the previous sanction of an ordinary resolution of the Company, exceed an amount equal to 50 per cent. of NAV (such 50 per cent. for these purposes including any existing borrowings and the proposed additional borrowing, and calculated at the time of incurring the proposed additional borrowings).

6.2.14 **Transfer of Shares**

- (A) A share in certificated form may be transferred by an instrument of transfer, which may be in any usual form or in any other form approved by the Directors, executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. The transferor and/or the transferee shall deliver to the Company (and/or other person designated by the Company) such written certifications in form and substance satisfactory to the Company as the Directors may determine in accordance with applicable law
- (B) A share in uncertificated form may be transferred by means of the relevant system concerned.
- (C) In their absolute discretion, the Directors may refuse to register the transfer of a share in certificated form which is not fully paid provided that, if the share is traded on a regulated market, such refusal does not prevent dealings in the shares from taking place on an open and proper basis. The Directors may also refuse to register a transfer of a share in certificated form unless the instrument of transfer:
 - (1) is lodged, duly stamped, at the registered office of the Company or such other place as the Directors may appoint and is accompanied by the certificate for the share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and/or the transferee to receive the transfer (including such written certifications in form and substance satisfactory to the Company as the Directors may determine in accordance with applicable law);
 - (2) is in respect of only one class of share;
 - (3) is not in favour of more than four transferees; and
 - (4) the transfer is not in favour of any Non-Qualified Holder.
- (D) The Directors may refuse to register a transfer of a share in uncertificated form to a person who is to hold it thereafter in certificated form in any case where the Company is entitled to refuse (or is excepted from the

requirement) under the Uncertificated Securities Regulations to register the transfer.

- (E) If the Directors refuse to register a transfer of a share, they shall send the transferee notice of that refusal with reasons for the refusal within two months after the date on which the transfer was lodged with the Company (for the transfer of a share in certificated form) or the date the operator-instruction was received by the Company (for the transfer of a share in uncertificated form which will be held thereafter in certificated form).
- (F) No fee shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any share.
- (G) The Directors may, in their absolute discretion, decline to transfer, convert or register any transfer of shares to any person: (i) whose ownership of shares may cause the Company's assets to be deemed "plan assets" for the purposes of ERISA or the US Tax Code; (ii) whose ownership of shares may cause the Company to be required to register as an "investment company" under the Investment Company Act or to lose an exemption or a status thereunder to which it might otherwise be entitled (including because the holder of shares is not a "qualified purchaser" as defined in the Investment Company Act); (iii) whose ownership of shares may cause the Company to be required to register under the Exchange Act or any similar legislation; (iv) whose ownership of shares may cause the Company to be a "controlled foreign corporation" for the purposes of the US Tax Code, or may cause the Company to suffer any pecuniary disadvantage (including any excise tax, penalties or liabilities under ERISA or the US Tax Code); (v) whose ownership of shares may cause the Company to cease to be considered a "foreign private issuer" for the purposes of the Securities Act or the Exchange Act; or (vi) whose ownership of shares would or might result in the Company not being able to satisfy its obligations on the Common Reporting Standard developed by the Organisation for Economic Co-Operation and Development or such similar reporting obligations on account of, *inter alia*, non-compliance by such person with any information request made by the Company, (each person described in (i) through (vi) above, being a **"Non-Qualified Holder"**).
- (H) If any Non-Qualified Holder owns any shares, whether directly, indirectly or beneficially, the Directors may give notice requiring such person within 30 days to:
 - (5) establish to the satisfaction of the Directors that such person is not a Non-Qualified Holder; or
 - (6) sell or transfer his shares to a person who is not a Non-Qualified Holder, and to provide the Directors with satisfactory evidence of such sale or transfer. Pending sale or transfer of such shares, the Directors may suspend rights with respect to the shares.
- (I) If any person upon whom a notice is served pursuant to paragraph (G) does not within 30 days transfer his shares or establish to the satisfaction of the Directors that he is not a Non-Qualified Holder, the Directors may arrange for the sale of the shares on behalf of the registered holder at the best price reasonably obtainable at the time. The manner, timing and terms of any such sale shall be such as the Directors determine (based

on appropriate professional advice) to be reasonably obtainable having regard to all material circumstances.

6.2.15 Appointment of Directors

- (A) Unless the Company determines otherwise by ordinary resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall not be less than two.
- (B) Subject to the Articles, the Company may by ordinary resolution appoint a person who is willing to act as a Director, and is permitted by law to do so, to be a Director either to fill a vacancy or as an additional Director. The Directors may appoint a person who is willing to act as a Director, and is permitted by law to do so, to be a Director, either to fill a vacancy or as an additional Director. A person appointed as a Director by the other Directors is required to retire at the Company's next annual general meeting and shall then be eligible for reappointment by Shareholders.
- (C) Until otherwise determined by the Company by ordinary resolution, there shall be paid to the directors (other than alternate directors) such fees for their services in the office of director as the directors may determine, not exceeding in the aggregate an annual sum of US\$150,000.

6.2.16 Powers of Directors

- (A) 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.
- (B) The Directors may appoint one or more of their number to the office of managing Director or to any other executive office of the Company and, subject to the provisions of the Act, any such appointment may be made for such term, at such remuneration and on such other conditions as the Directors think fit.
- (C) Any Director (other than an alternate 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 and may remove such an alternate Director from office.

6.2.17 Voting at board meetings

- (D) No business shall be transacted at any meeting of the Directors unless a quorum, which may be fixed by the Directors from time to time, is present; unless so fixed at any other number, the quorum shall be two. A Director shall not be counted in the quorum present in relation to a matter or resolution on which he is not entitled to vote but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting. An alternate Director who is not himself a Director shall, if his or her appointor is not present, be counted in the quorum.
- (E) Questions arising at a meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall, unless he is not entitled to vote on the resolution, have a second or casting vote.

6.2.18 Restrictions on voting

Subject to any other provision of the Articles, a Director shall not vote at a meeting of the Directors on any resolution concerning a matter in which he has,

directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, the Company) unless his interest arises only because the case falls within certain limited categories specified in the Articles.

6.2.19 Directors' interests

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

6.2.20 Indemnity

Subject to the provisions of the Act, the Company may indemnify to any extent any person who is or was a Director, directly or indirectly (including by funding any expenditure incurred or to be incurred by the Director) against any loss or liability whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by them or otherwise in relation to the Company or any associated company; and purchase and maintain insurance for any person who is or was a Director, or a Director of any associated company, against any loss or liability or any expenditure they may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by them or otherwise, in relation to the Company or any associated company.

6.2.21 Special Voting Loyalty Shares

The rights and restrictions attaching to the Special Voting Loyalty Shares are summarised below.

(A) Loyalty Register

- (1) Any Registered Holder of an ordinary share may apply to the Company (or any other person nominated by the Company for this purpose) to be entered into the Loyalty Register with respect to such ordinary share. In order for such application to be valid, such Registered Holder shall be required to provide to the Registrar confirmation in a form satisfactory to the Board (acting in its sole and absolute discretion) that, as at the date of such application, such ordinary share is held by the Registered Holder either: (i) for its own ultimate benefit; or (ii) as nominee for another person(s), in which case, the Board may require the Registered Holder to provide such information as the Board may request in relation to the person(s) for whose ultimate benefit such ordinary shares are held by the Registered Holder (the "**Beneficial Owner**"). On receipt of a valid application, the relevant Registered Holder shall be entered into the Loyalty Register with effect from the date on which the valid application (together with the appropriate confirmation or information) is received by the Registrar.
- (2) The Company (or any other person nominated by the Company for this purpose) may, from time to time, serve a notice on a Registered Holder requiring such Registered Holder to confirm that any ordinary share in respect of which it has been entered into the Loyalty Register continues to be held by it either for its own ultimate benefit or for the benefit of the same Beneficial Owner (as appropriate) and that no Event of Default has occurred

in relation to any Special Voting Loyalty Shares held by such Registered Holder (a **"Continuing Confirmation"**). The Continuing Confirmation must be provided within the period specified in the notice, being not less than 14 days.

- (3) If the Company is notified, or the Board (in its sole and absolute discretion) determines that, at any point following entry into the Loyalty Register in respect of an ordinary share, either the Registered Holder or the Beneficial Owner has, without the prior written consent of the Company:
- (a) sells, assigns or transfers all or any of the legal title and equitable title, or the legal title alone, or the equitable title alone in relation to such ordinary share;
 - (b) creates or permits to subsist any pledge, lien, fixed or floating charge or other encumbrances in relation to such ordinary share;
 - (c) creates or permits to subsist any trust in relation to such ordinary share or confers any option, right or interest in relation to such ordinary share;
 - (d) creates, transfers or decreases any economic interest in such ordinary share;
 - (e) does any act, or any other dealing or disposal of such ordinary share, any interest in such ordinary share or any right attaching to such ordinary share; or
 - (f) (in the case of the Registered Holder only) otherwise ceases to hold such ordinary share for itself or for the benefit of the Beneficial Owner,

then any such occurrence, act, dealing or disposal, or attempted act, dealing or disposal of such ordinary share, any interest in such ordinary share or any right attaching to such ordinary share, or agreement to do so, other than in accordance with these articles, shall constitute a **"Disqualifying Transfer"**. For the avoidance of doubt, neither: (x) the transmission of an ordinary share as a consequence of the death or bankruptcy of the Registered Holder or Beneficial Owner or otherwise by operation of law; nor (y) the conversion of an ordinary share of one class into an ordinary share of another class in accordance with the provisions of these articles, would, by itself, constitute a Disqualifying Transfer. In each case, the Loyalty Register will be amended to reflect such transmission or conversion as though the transmittee or Registered Holder (as appropriate) had been entered into the Loyalty Register in respect of the transmitted ordinary share or the Resulting Share(s) arising on the conversion (as appropriate) on the same day as the date on which it had been entered into the Loyalty Register in respect of the transmitted ordinary share or the Converting Share(s) (as appropriate).

- (4) If a Disqualifying Transfer occurs or is likely to occur in relation to an ordinary share in respect of which a Registered Holder has been entered into the Loyalty Register, the Registered Holder or the Beneficial Owner (as the case may be) of such ordinary share shall promptly notify the Company.

- (5) If a Disqualifying Transfer occurs in relation to an ordinary share or if the Registered Holder of an ordinary share fails to provide a Continuing Confirmation within the time specified and in a form satisfactory to the Board (acting in its sole and absolute discretion):
 - (a) the Company (or any other person nominated by the Company for this purpose), shall remove the relevant Registered Holder from the Loyalty Register in respect of such ordinary share; and
 - (b) if a Special Voting Loyalty Share is in issue in respect of such ordinary share, such Special Voting Loyalty Share shall be automatically reclassified as a Default Share with immediate effect and the provisions of paragraph **Error! Reference source not found.** shall apply.

When a Disqualifying Transfer occurs in relation to only some of the ordinary shares in respect of which a Registered Holder has been entered into the Loyalty Register, the ordinary shares in respect of which the Disqualifying Transfer is deemed to have occurred shall be determined on a "last in first out basis" such that the Registered Holder is removed from the Loyalty Register in respect of the most recent ordinary shares in respect of which it had been entered into the Loyalty Register.

- (6) Following the removal of the Registered Holder from the Loyalty Register in respect of an ordinary share pursuant to paragraphs 6.2.21(A)(5), 6.2.21(B)(2) or 6.2.21(E)(3), such Registered Holder may elect to apply to the Company (or any other person nominated by the Company for this purpose) to be entered into the Loyalty Register again with respect to such ordinary share, in accordance with the provisions of this paragraph 6.2.21.

(B) Right to subscribe for Special Voting Loyalty Shares

- (1) Each Registered Holder of an ordinary share who remains registered in the Loyalty Register in respect such Ordinary Share for a continuous uninterrupted period of at least five years (the "**Qualifying Period**") shall be entitled to subscribe for one Special Voting Loyalty Share in respect of such ordinary share, in accordance with this paragraph 6.2.21. This right to subscribe for Special Voting Loyalty Shares shall be conditional on the directors having, at the relevant time, the requisite authorities under the Acts and these articles (including, for the avoidance of doubt, the authority to allot the relevant Special Voting Loyalty Shares) and the issue and allotment of the Special Voting Loyalty Shares pursuant to this paragraph 6.2.21 otherwise being in compliance with applicable laws and regulations.
- (2) Any Registered Holder of an ordinary share wishing to exercise its right to subscribe for a Special Voting Loyalty Share in respect of such ordinary share may do so only during the Subscription Period immediately following the expiry of the Qualifying Period by paying up the nominal value of the Special Voting Loyalty Share, completing such subscription documentation and taking such other actions as shall be required by the Board (in its sole and absolute discretion), and shall be required to serve on the Company (or any other person nominated by the Company for

this purpose) a statement in the form provided by or on behalf of the Company confirming that:

- (a) it has held such ordinary share (either for itself or for the benefit of the same Beneficial Owner) for the entirety of the Qualifying Period and continues to do so;
- (b) it has satisfied, and continues to satisfy, any other requirement prescribed by these articles to remain registered on the Loyalty Register in respect of such ordinary share; and
- (c) once issued, it will hold the relevant Special Voting Loyalty Share solely for itself or for the benefit of the same Beneficial Owner (as appropriate).

If the Registered Holder of an ordinary share in respect of which the Qualifying Period has expired does not exercise its right to subscribe for a Special Voting Loyalty Share in respect of such ordinary share during the Subscription Period immediately following the expiry of the Qualifying Period, such Registered Holder shall be removed from the Loyalty Register in respect of such ordinary shares.

- (3) In any calendar year, on the receipt of valid subscriptions during the Subscription Period in such calendar year, and the satisfaction of the other requirements of the Acts and these articles, the Company shall issue Special Voting Loyalty Shares on the Subscription Date in such calendar year. For the avoidance of doubt, in relation to each ordinary share in issue, there shall be no more than one Special Voting Ordinary Share in issue. If, as a result of the conversion of ordinary shares of one class into ordinary shares of another class by a Registered Holder which also holds Special Voting Loyalty Shares in respect of some or all of such Converting Shares:

- (a) the number of Special Voting Loyalty Shares in issue in relation to any such Converting Shares immediately prior to the conversion would be greater than the number of Resulting Shares arising from the conversion of such Converting Shares, a number of Special Voting Loyalty Shares held by such Registered Holder equal to the excess will automatically be reclassified as Default Shares with immediate effect and the provisions of paragraph 6.2.21(F) shall apply; and
- (b) the number of Special Voting Loyalty Shares in issue in relation to any Converting Shares immediately prior to the conversion would be fewer than the number of Resulting Shares arising from the conversion of such Converting Shares, the Registered Holder of the Resulting Shares shall be entitled, in respect of each such excess Resulting Share, in the Subscription Period immediately following the relevant Conversion Date, to subscribe for one Special Voting Loyalty Share in accordance with this paragraph 6.2.21.

The provisions in paragraphs 6.2.21(B)(3)(a) and 6.2.21(B)(3)(b) above shall apply mutatis mutandis in the event that, on a consolidation or sub-division of ordinary shares pursuant to these articles, Special Voting Loyalty Shares were in issue in relation to some or all of the ordinary shares so consolidated or sub-divided.

- (4) When a Registered Holder of ordinary shares of any class, who has been entered into the Loyalty Register in respect of some of these ordinary shares, elects to convert such ordinary shares into ordinary shares of another class, the Registered Holder will be deemed to have elected to first convert the ordinary shares of that class in respect of which it has not been entered into the Loyalty Register and, only to the extent that the number of Converting Shares is more than number of ordinary shares of that class in respect of which it has not been entered into the Loyalty Register, will any ordinary shares of that class in respect of which the Registered Holder has been entered into the Loyalty Register be converted into ordinary shares of another class.

(C) *Rights attaching to Special Voting Loyalty Shares*

(1) As to voting:

The holders of Special Voting Loyalty Shares shall have the right to receive notice of, to attend, and to vote at all general meetings of the Company.

(2) As to dividends and distributions:

The Special Voting Loyalty Shares are not entitled to participate in any dividend or distribution made or declared by the Company, except for a fixed annual dividend equal to 0.00001 per cent. of their nominal value.

(3) On a winding up or other return of capital:

On a winding up of the Company, the holder of a Special Voting Loyalty Share shall be entitled to be repaid the capital paid up thereon pari passu with the repayment of the nominal amount of the ordinary shares.

(D) *Share certificates*

It shall be a condition of the issue of any Special Voting Loyalty Share that, notwithstanding any other provisions of the Articles, the Company shall not be obliged to issue share certificates to the holders of Special Voting Loyalty Shares in respect of the Special Voting Loyalty Shares unless it shall have received a written request from a holder of Special Voting Loyalty Shares for the issue of a certification in respect of the Special Voting Loyalty Shares held by such person.

(E) *Transfers of Special Voting Loyalty Shares*

- (1) If the Company is notified, or the Board (in its sole and absolute discretion) determines that, in relation to a Special Voting Loyalty Share, the Registered Holder or the Beneficial Owner has, without the prior written consent of the Company:

- (a) sold, assigned or transferred all or any of the legal title and equitable title, or the legal title alone, or the equitable title alone in relation to a Special Voting Loyalty Share;
- (b) created any pledge, lien, fixed or floating charge or other encumbrance in relation to a Special Voting Loyalty Share;

- (c) created any trust in relation to a Special Voting Loyalty Share or conferred any option, right or interest in relation to a Special Voting Loyalty Share;
- (d) created, transferred or decreased any economic interest in a Special Voting Loyalty Share;
- (e) effected any other dealing or disposal of a Special Voting Loyalty Share, any interest in such Special Voting Loyalty Share or any right attaching to such Special Voting Loyalty Share;
- (f) (in the case of the Registered Holder only) otherwise ceased to hold such Special Voting Loyalty Share for itself or for the benefit of the same Beneficial Owner,

or if the Registered Holder (or, if the Registered Holder holds the Special Voting Loyalty Share as nominee for a Beneficial Owner, such Beneficial Owner) undergoes a Change of Control, then any such occurrence, act, dealing or disposal, or attempted act, dealing or disposal of a Special Voting Loyalty Share, any interest in a Special Voting Loyalty Share or any right attaching to a Special Voting Loyalty Share, or agreement to do so, other than in accordance with these articles, shall constitute an **"Event of Default"**. For the avoidance of doubt, once a Special Voting Loyalty Share is in issue in relation to an ordinary share, the transmission of such Special Voting Loyalty Share as a consequence of the death or bankruptcy of the Registered Holder or Beneficial Owner or otherwise by operation of law, shall not, by itself, constitute an Event of Default.

- (2) If an Event of Default occurs or is likely to occur in relation to a Special Voting Loyalty Share, the Registered Holder or the Beneficial Owner (as the case may be) of such Special Voting Loyalty Share shall promptly notify the Company.
- (3) If an Event of Default occurs in relation to a Special Voting Loyalty Share or if the Registered Holder of a Special Voting Loyalty Share fails to provide a Continuing Confirmation within the time specified and in a form satisfactory to the Board (acting in its sole and absolute discretion):
 - (a) each relevant Special Voting Loyalty Share shall be automatically reclassified as a "Default Share" and the provisions of paragraph 6.2.21(F) shall apply; and
 - (b) the Registered Holder of such Special Voting Loyalty Share shall, with immediate effect, be removed from the Loyalty Register in respect of the ordinary share in respect of which such Special Voting Loyalty Share had been in issue.
- (4) The Board may also, in its sole and absolute discretion, reclassify any Special Voting Loyalty Share as a Default Share, if requested to do so in writing by the Registered Holder of a Special Voting Loyalty Share and the provisions of paragraphs 6.2.21(E)(3)(b) and 6.2.21(F) shall apply.

(F) *Default Shares*

- (1) Any holder of a Default Share shall not be entitled to receive notice of, to attend, or to vote at a general meeting of the Company.
- (2) In relation to any Default Share, the Board may, at its sole and absolute discretion, resolve:
 - (a) to mandatorily redeem such Default Share for the nominal value thereof; or
 - (b) that such Default Share be mandatorily transferred, for the nominal value thereof, to any person nominated by the Board (and, for that purpose, the Board shall be entitled to nominate a person to execute any form of transfer or other document necessary to give effect thereto as attorney or agent for the holder of any such Default Share).
- (3) The Company shall provide the Registered Holder of a Special Voting Loyalty Share with notice of any reclassification pursuant to paragraphs 6.2.21(A)(5)(b), 6.2.21(B)(3)(a), 6.2.21(E)(3) and 6.2.21(E)(4), and of any subsequent mandatory redemption or transfer pursuant to paragraph 6.2.21(F)(2).
- (4) Default Special Voting Loyalty Shares are not entitled to receive any dividend or distribution made or declared by the Company, except for a fixed annual dividend equal to 0.00001 per cent. of their nominal value.
- (5) On a winding up of the Company, the holder of a Default Special Voting Loyalty Share shall be entitled to be repaid the capital paid up thereon *pari passu* with the repayment of the nominal amount of the ordinary shares.

(G) *Miscellaneous*

- (1) Where, in respect of any ordinary share, there is more than one Registered Holder or Beneficial Owner:
 - (a) the provisions of these articles referring to actions to be taken (or not to be taken) by a Registered Holder or Beneficial Owner of such ordinary share shall require the relevant action to be taken (or not taken) by all of the Registered Holders or Beneficial Owners (as the case may be) of such ordinary share; and
 - (b) the provisions of these articles referring to the rights of a Registered Holder or Beneficial Owner or actions to be taken by the Company or the directors in relation to a Registered Holder or Beneficial Owner, shall grant such rights to, or require the relevant actions to be taken in relation to, only one of the Registered Holders or Beneficial Owners (as the case may be) of such ordinary share and, in the case of the Registered Holders, this shall be whichever Registered Holder's name appears first on the Loyalty Register in respect of the relevant ordinary shares or Special Voting Loyalty Shares (as appropriate).
- (2) The Board may, in its sole and absolute discretion:

- (a) change the date or dates on which Subscription Periods or Subscription Dates fall;
 - (b) set additional Subscription Periods or Subscription Dates;
 - (c) treat an election to exercise the right to subscribe for Special Voting Loyalty Shares as effective notwithstanding that the notification of such election is outside the Subscription Period prescribed by this paragraph 6.2.21; or
 - (d) make such other changes as the Board may consider fair and reasonable to the procedure by which, or the basis on which, Registered Holders of ordinary shares may be entitled to be entered into the Loyalty Register and/or subscribe for Special Voting Loyalty Shares.
- (3) Where the directors have acted honestly and in good faith in exercising its powers under this paragraph 6.2.21, the exercise of such powers shall be final and binding on the Company and its shareholders and neither the Company nor the directors shall incur any liability of any nature whatsoever to any person (including the Registered Holder or the Beneficial Owner of an ordinary share or a Special Voting Loyalty Share) for any loss resulting from the operation of the provisions of this paragraph 6.2.21.

7. THE CITY CODE ON TAKEOVERS AND MERGERS

7.1 Mandatory Bid

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

- (a) any person acquires, whether by a series of transactions over a period of time or otherwise, an interest in shares which, when taken together with shares in which he and persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights in the Company; or
- (b) any person, together with persons acting in concert with them, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of the Company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with them, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which they are interested,

such person would normally be required to make a cash or cash alternative offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by them or their concert parties during the previous 12 months.

ACG, an affiliate of the Portfolio Manager, expects to invest in the Placing subject to the restrictions that: (a) it will not subscribe for shares worth, in aggregate, more than US\$70 million; and (b) it will not acquire more than 64.9 per cent. of the total issued share capital of the Company on Admission. The precise shareholding of ACG will depend on the outcome of the Placing as a whole. If the Company raises gross proceeds under the Placing of between US\$140 million to US\$200 million (being the maximum gross proceeds pursuant to the terms of the Placing) and ACG subscribes for Shares worth, in aggregate, US\$70 million, then ACG would hold between 35 per cent. and 50 per cent. of the total issued capital of the Company on Admission (the maximum percentage of the total issued share capital of the Company which may be held by ACG on Admission being 64.9 per cent).

The Takeover Panel has confirmed to the Company that no mandatory offer for the Company need be made as a result of ACG acquiring 30 per cent. or more of the voting rights attached to the issued share capital of the Company as a result of the Placing on the

basis that the subscription by ACG for Shares pursuant to Placing, and the maximum controlling interest that ACG could have as a result of the Placing, is disclosed in this Prospectus.

On Admission:

- (a) if ACG holds more than 50 per cent. of the voting rights of the Company, there will be no restrictions on ACG increasing its aggregate holding in the Company;
- (b) if ACG holds more than 30 per cent. but less than 50 per cent. of the voting rights of the Company, ACG will not be able to increase its aggregate holding in the Company, save as described below, without triggering the requirement to make a cash offer for the outstanding shares in the Company in accordance with Rule 9 of the Takeover Code; and
- (c) if ACG holds less than 30 per cent. of the voting rights of the Company, ACG will not be able to increase its aggregate holding in the Company such that it holds 30 per cent. or more of the voting rights in the Company, save as described below, without triggering the requirement to make a cash offer for the outstanding shares in the Company in accordance with Rule 9 of the Takeover Code.

7.2 Share Buy-backs

When a company redeems or purchases its own voting shares, under Rule 37 of the Takeover Code, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9 of the Takeover Code. Rule 37 of the Takeover Code provides that, subject to prior consultation, the Takeover Panel will normally waive any resulting obligation to make a general offer if there is a vote of independent shareholders and a procedure along the lines of that set out in Appendix 1 to the Takeover Code is followed. Appendix 1 to the Takeover Code sets out the procedure which should be followed in obtaining that consent of independent shareholders.

Under Note 1 on Rule 37.1 of the Takeover Code, a person who comes to exceed the limits in Rule 9.1 in consequence of a company's purchase or redemption of its own shares will not normally incur an obligation to make a mandatory offer unless that person is a director, or the relationship of the person with any one or more of the directors is such that the person is, or is presumed to, acting in concert with any of the directors. The investment manager of an investment trust is treated for these purposes as if it were a director. Since the Portfolio Manager is an Associate of ACG, the exception under Note 1 of Rule 37.1 of the Takeover Code will not apply to ACG.

Subject to certain limits, the Company will have the authority to make market purchases of shares under the terms of the shareholder resolution summarised in paragraph 5.2 of this Part VII (Additional Information on the Company) of this Prospectus (the "**Market Purchases Resolution**"). This authority is for the period between the date of the resolution and the first annual general meeting of the Company subject to a limit of 14.99 per cent. of the total shares in issue immediately following Admission.

On Admission:

- (a) if ACG holds more than 50 per cent. of the voting rights of the Company, any subsequent increase in the percentage of shares held by ACG as a result of the Company exercising its authority to make market purchases of shares pursuant to the Market Purchases Resolution would not trigger a requirement to make a mandatory offer under Rule 9 of the Code;
- (b) if ACG holds more than 30 per cent. but less than 50 per cent. of the voting rights of the Company, any subsequent increase in the percentage of shares held by ACG as a result of the Company exercising its authority to make market purchases of shares pursuant to the Market Purchases Resolution would ordinarily trigger a requirement to make a mandatory offer under Rule 9 of the Code (as illustrated below); and
- (c) if ACG holds less than 30 per cent. of the voting rights of the Company, any subsequent increase in the percentage of shares held by ACG to more than 30 per cent. but less than 50 per cent. of the voting rights of the Company as a result of the Company exercising its authority to make market purchases of shares pursuant to the Market Purchases Resolution

would ordinarily trigger a requirement to make a mandatory offer under Rule 9 of the Code.

In relation to paragraph (b) above, by way of illustration, if:

- (a) the percentage shareholding in the Company of ACG immediately following Admission were 35 per cent. (on the basis that ACG subscribes for Shares in the Placing worth, in aggregate, US\$70 million and 20 million Shares are issued in the Placing);
 - (b) the Company were to exercise its authority to make market purchases of shares pursuant to the Market Purchases Resolution in full; and
 - (c) none of the shares which ACG holds are purchased by the Company under that authority,
- then the shareholding of ACG would increase to approximately 41.17 per cent. of the issued share capital of the Company.

Notwithstanding the provisions of Rule 37 of the Takeover Code, the Takeover Panel has confirmed to the Company that it would not require ACG to make a mandatory offer under Rule 9 of the Takeover Code on the grounds that its interest in the shares has increased only as a result of the purchase by the Company of its own shares pursuant to the Market Purchases Resolution. This confirmation has been given on the basis that the consequences of such a purchase by the Company of its own shares has been fully disclosed to prospective investors in this Prospectus.

If, however, the shareholding of ACG in the Company increases for any reason other than as a consequence of the purchase by the Company of its own shares pursuant to the Market Purchases Resolution, then ACG would normally be required to make a mandatory offer under Rule 9 of the Takeover Code.

7.3 Compulsory Acquisition

Under sections 974 to 991 of the Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the Shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding Shares not assented to the offer. It would do so by sending a notice to the other 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 holders of those Shares subject to the transfer. The consideration offered to the holders whose Shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the Shares (in value and by voting rights, pursuant to a takeover offer that relates to all the Shares in the Company) 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. Such sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of 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 offer or on such other terms as may be agreed.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

8.1 Directors' interests

As at the date of this Prospectus there are no potential conflicts of interest between any duties owed to the Company of any of the Directors and their private interests and/or other duties. Immediately following Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

8.2 Directors' contracts with the Company

- 8.2.1 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.
- 8.2.2 The Directors' appointments can be terminated in accordance with the Articles and without compensation or in accordance with the Act or common law. The Directors are subject to retirement by rotation in accordance with the Articles.
- 8.2.3 There is no notice period specified in the letters of appointment or in the Articles for the removal of Directors. The Articles provide that the office of Director may be terminated by, among other things: (i) resignation; (ii) unauthorised absences from board meetings for more than six consecutive months; or (iii) the written request of all Directors other than that whose appointment is being terminated.
- 8.2.4 The Directors' remuneration is US\$15,000 per annum for each Director other than:
- (A) the Chairman, who will receive an additional US\$1,000 per annum;
 - (B) the chairman of the Audit Committee, who will receive an additional US\$5,000 per annum; and
 - (C) the members of the Audit Committee, who will received an additional US\$1,000 per annum.
- 8.2.5 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. No amounts have been set aside or accrued by the Company to provide pension, retirement or similar benefits.

8.3 Other interests

- 8.3.1 As at the date of this Prospectus, the Directors hold or have held during the five years preceding the date of this Prospectus the following directorships (apart from their directorships of the Company) or memberships and administrative, management or supervisory bodies and/or partnerships:

| Name | Current directorships and partnerships | Past directorships and partnerships |
|-------------------|---|--|
| Marco Bianconi | Pensato Cayman Ltd | Cementir Italia SpA |
| | Pensato Cayman GP | Betontir SpA |
| | BWA srl | Fabrica Immobiliare SGR SpA |
| | Aalborg Portland A/S | Neales Waste Management Holding Ltd |
| | Unicorn A/S | Neales Waste Management Ltd |
| | Aalborg Portland Holding A/S | Quercia Ltd |
| | CCB SA | Recydia SA |
| | Alfacem SpA | Theorema Europe Fund |
| | Aalborg Portland Malaysia Bhd | Theorema Europe Fund Plus |
| | Aalborg Portland Anqing | Theorema Liquid Fund |
| | Cimentas SA | Secil Prebato SA |
| | Cimbeton SA | MPS Leasing & Factoring SpA |
| | KARS Cimento A/S | |
| | | |

| | | |
|------------------|---|--|
| John Birch | Modern Age Leadership, LLC Confluence Analytics International The Cardinal Partners Global S.a.r.l GAMCO International SICAV Gabelli Associates Limited Gabelli Associates Limited II E Agricultural Investments & Developments S.A. | N/A |
| Marc Gabelli | GGCP, Inc. LICT Corporation, Inc. LGL Group, Inc. Gabelli Securities International Ltd. Gabelli Securities International (UK), Ltd. GAMA Funds Gmbh Gabelli & Partners Gmbh Gemini Capital Partners, LLC Venator Merchant Fund, LLC M4E, LLC EMG Madonna Foundation, LLC Sutton Trust Plc Greenwich Hospital Hospital for Special Surgery Commonwealth Management Partners, LLLP ELMART Farms, Inc. Catalyst Advisors, LLC Horizon Research Advisors Ltd. | Associated Capital Group, Inc. GAMCO Investors, Inc. |
| Kuni Nakamura | Gabelli 787 Fund Gabelli Asset Fund | LGL Group, Inc. |

Gabelli Dividend Growth Fund
 Gabelli Capital Series Funds
 Gabelli Convertible & Income Securities Fund
 Gabelli Equity Series Fund
 Gabelli Investor Funds
 Gabelli Utilities Fund
 Gabelli Value 25 Fund
 GAMCO Natural Resources, Gold & Income Trust
 Gabelli Multimedia Trust
 Gabelli Healthcare and Wellness^{RX} Trust
 Gabelli Utility Trust
 Gabelli Global Small and Mid Cap Value Trust
 Gabelli Go Anywhere Trust
 Bancroft Fund
 Ellsworth Growth & Income Fund
 Gabelli NextShares Trust

| | | |
|-----------------|---------------------|-----|
| Yuji Sugimoto | N/A | N/A |
| Paolo Vicinelli | Central White Group | N/A |

8.3.2 In the five years before the date of this Prospectus, the Directors:

- (A) did not have any convictions in relation to fraudulent offences;
- (B) have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- (C) have not been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

8.4 Major shareholders and Directors' shareholdings

- 8.4.1 Save as set out in paragraph 5 above, as at the date of this Prospectus, none of the Directors or any person connected with any of the Directors has a shareholding or any other interest in the share capital of the Company.
- 8.4.2 Gabelli & Company Investment Advisers, Inc. holds all voting rights in the Company as at the date of this Prospectus.
- 8.4.3 As at the date of this Prospectus and insofar as is known to the Company, assuming Minimum Gross Proceeds are raised, the following persons may, immediately following the Placing, be directly or indirectly interested in 3 per cent.

or more of the Company's issued share capital.

| Shareholder | Notifiable interests / voting rights |
|--------------------------------|--------------------------------------|
| Associated Capital Group, Inc. | Up to 64.9 per cent. |

8.4.4 Pursuant to the Placing, the Company expects to issue a substantial number of Shares to the Portfolio Manager's Affiliates who are investors who are US Residents or US Persons. Accordingly, the proportion of the Shares held by US Residents and US Persons could be substantial at Admission and such proportion could increase in subsequent secondary market trading. For the purposes of ensuring that the Company continues to be considered a "foreign private issuer" for the purposes of the Securities Act and the Exchange Act, the Articles provide that, in respect of any Director Resolution, each Shareholder shall be required, as set out in the Articles, to make certain certifications with regard to their status (and, to the extent they hold Shares for the account or benefit of any other person, the status of such other person) as a non-US resident (each Shareholder that does not so certify, being a **"Non-Certifying Shareholder"**). If the aggregate total of votes which Non-Certifying Shareholders would otherwise be entitled to cast on a Director Resolution is greater than 49 per cent. of the aggregate total of votes which all Shareholders are entitled to cast on such Director Resolution then, pursuant to the Articles, the aggregate number of votes which Non-Certifying Shareholders are entitled to cast on such Director Resolution shall be scaled down, on a pro rata basis so as not to exceed 49 per cent. of the aggregate total of votes which all Shareholders are entitled to cast on such Director Resolution.

8.4.5 Save as disclosed in paragraph 8.4.4, none of the Shareholders has or will have voting rights attached to the shares held by them which are different from the voting rights attached to any other shares in the same class in the Company. As at the date of this Prospectus, save as set out in paragraph 8.4.2, the Company, insofar as is known to the Company, will not immediately following the Placing be directly or indirectly owned or controlled by any single person or entity and there are no arrangements known to the Company the operation of which may subsequently result in a change of control of the Company.

8.5 Related party transactions

The Company has not entered into any related party transaction at any time during the period from incorporation to the date of this Prospectus.

8.6 Director conflicts of interests

None of the Directors has any conflict of interests or potential conflict of interests between any duties to the Company and his or her private interests and any other duties. The AIFM and the Portfolio Manager, any of their directors, principals, officers, employees, agents and Affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, interested parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, the Portfolio Manager, any of its directors, officers, employees, agents and Affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed may (subject in the case of the Portfolio Manager to the restrictions contained in the Portfolio Management Agreement) acquire on behalf of a client an investment in which the Company may invest.

9. SHARE OPTIONS AND SHARE SCHEME ARRANGEMENTS

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

10. INVESTMENT RESTRICTIONS

- 10.1 The Company will at all times invest and manage its assets with the objective of spreading risk and in accordance with its published investment policy as set out in Part I (The Company) of this Prospectus.
- 10.2 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 Chapter 4 of Part 24 of the Corporation Tax Act 2010 (as amended) and the Investment Trust (Approved Company) (Tax) Regulations 2011 (as amended), and its investment activities will therefore be subject to the restrictions set out in paragraph 2 of this Part I (The Company) of this Prospectus.
- 10.3 In the event of a material breach of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Portfolio Manager through an announcement made via an RIS.

11. MATERIAL CONTRACTS

Save as described below, the Company has not: (i) entered into any material contracts (other than contracts in the ordinary course of business) since its incorporation; or (ii) entered into any contracts that contain provisions under which the Company has any obligation or entitlement that is material to the Company as at the date of this Prospectus.

11.1 AIFM Agreement

- 11.1.1 The Company has entered into the AIFM agreement with the AIFM on 15 June 2017 pursuant to which the AIFM has assumed responsibility for ensuring compliance by it and the Company with all the obligations of an EEA alternative investment fund manager under the AIFM Regulations. The AIFM has agreed to manage the Company's portfolio on a discretionary basis (or to oversee the management of the Company's portfolio if such management is delegated to a third party (e.g., the Portfolio Manager)), subject to the Company's overall responsibility to oversee and supervise the investment policy and strategy of the Company.
- 11.1.2 The AIFM is required to employ: (i) an adequate risk management system in order to identify, measure, manage and monitor appropriately all risks relevant to the investment strategy and to which the Company may be exposed; and (ii) an appropriate liquidity management system and procedures which enable it to monitor the liquidity risk of the Company's investments and to ensure that the liquidity profile of the Company's investments complies with the Company's underlying obligations.
- 11.1.3 In consideration of the services to be provided by the AIFM under the AIFM Agreement, the AIFM will be entitled to receive from the Company such annual fees, accrued and payable at such times, as may be agreed in writing between itself and the Company from time to time. The annual fees will be payable monthly out of the assets of the Company as follows:
 - (A) up to 0.05 per cent. per annum of the first €500 million in Net Asset Value;
 - (B) 0.04 per cent. per annum of the Net Asset Value that exceeds €500 million and up to €750 million;
 - (C) 0.03 per cent. per annum of the Net Asset Value that exceeds €750 million and up to €1 billion; and
 - (D) 0.02 per cent. per annum of the Net Asset Value that exceeds €1 billion, provided that if the above does not compute to a monthly fee of at least €2,500, then instead of using the above chart for that month, the fee shall be €2,500.
- 11.1.4 In the absence of negligence, wilful default, fraud or bad faith on the part of the AIFM, or a breach of the AIFM Agreement or the AIFM Directive by the AIFM, the AIFM shall not be liable to the Company for any actions, costs, charges, losses,

damages or expenses suffered as a result of any act or omission in the course of, or connected with, rendering services or otherwise under the AIFM Agreement. Further, the Company shall hold harmless and indemnify the AIFM, its directors, employees, delegates and agents from and against all actions, proceedings, claims, damages, costs, demands by third parties and related expenses including, without limitation, reasonable legal and professional expenses on a full indemnity basis which may be brought against, suffered or incurred by such persons in the performance of their duties under the AIFM Agreement other than those resulting, directly or indirectly, from the negligence, wilful default, fraud or bad faith of any such person in the performance of their obligations under the AIFM Agreement, or a breach by any such person of the AIFM Agreement or the AIFM Directive.

- 11.1.5 The AIFM Agreement may be terminated by either party giving not less than 90 days' written notice to the other party. In addition, the AIFM Agreement may be terminated forthwith by notice in writing by a party if the other party: (i) has committed a material breach of its obligations under the AIFM Agreement and failed to remedy such breach within the prescribed time; or (ii) has been dissolved or has become unable to pay its debts or has committed any act of bankruptcy or has had a receiver appointed in respect of any of its assets.
- 11.1.6 The arrangement may also be terminated by the AIFM if it has notified the Company that it is unable to ensure compliance with the implementing provisions of the AIFM Directive for which the Company is responsible and such matter has not been rectified by the Company to the reasonable satisfaction of the AIFM within 30 days of receipt of such notice.
- 11.1.7 The AIFM is permitted to delegate all or any part of its investment management function to any "Associate" (as defined in the AIFM Agreement), provided the AIFM notifies the Company and obtains prior written consent from the Company. The Company may, by written notice to the AIFM, revoke any such consent. Following receipt of such notice, the AIFM will take such action as is necessary to terminate the delegate's appointment as quickly as possible in accordance with the agreement pursuant to which the delegate had been appointed.
- 11.1.8 The AIFM Agreement shall be governed by, and construed in accordance with, Irish law.

11.2 **Portfolio Management Agreement**

- 11.2.1 The Company has entered into the Portfolio Management Agreement with the AIFM and the Portfolio Manager on 15 June 2017 pursuant to which the delegation of portfolio management functions by the AIFM to the Portfolio Manager has been confirmed and the services to be performed pursuant to such delegation as well as the terms and conditions pursuant to which such services will be performed have been agreed.

11.2.2 **Management Fee**

Under the terms of the Portfolio Management Agreement, the Portfolio Manager will be entitled to a management fee ("**Management Fee**"), together with reimbursement of reasonable expenses incurred by it in the performance of its duties under the Portfolio Management Agreement, other than the salaries of its employees and general overhead expenses attributable to the provision of the services under the Portfolio Management Agreement.

The Management Fee shall be accrued daily and calculated on each Business Day at a rate equivalent to 0.85 per cent. of NAV per annum ("**MF Calculation Date**").

The Portfolio Manager may, at its discretion, enter into arrangements with certain investors or Distributors pursuant to which the Portfolio Manager will rebate to such investors or Distributors a proportion of the Management Fee it receives from the Company.

11.2.3 Performance Fee

The Portfolio Manager shall be entitled to earn a Performance Fee (as defined below) under the Portfolio Management Agreement. The Portfolio Manager is entitled to assign such Performance Fee to one of its Affiliates at any time. The Performance Fee shall be payable on the following basis.

Subject to the satisfaction of the Performance Conditions, the Portfolio Manager (or, where the Portfolio Manager so directs, any Affiliate of the Portfolio Manager) shall be entitled, in respect of each Performance Period, to receive 20 per cent. of the Total Return relating to such Performance Period, provided that such amount shall not exceed three per cent. of the Average NAV.

The amounts payable to the Portfolio Manager (or its Associate) in accordance with this paragraph, being the "**Performance Fee**".

Performance Conditions

The Portfolio Manager's entitlement to a Performance Fee in respect of any Performance Period shall be conditional on the Closing NAV per Share in respect of the Performance Period (adjusted for any changes to the NAV per Share through dividend payments, Share repurchases (howsoever effected) and Share issuances since Admission) being in excess of:

Performance Hurdle

(A) an amount calculated as set out below; and

High water mark

(B) the Closing NAV per Share in respect of the last Performance Period in respect of which a Performance Fee was payable to the Portfolio Manager (or an Affiliate) by the Company (adjusted for any changes to the NAV per Share through dividend payments, Share repurchases (howsoever effected) and Share issuances from Admission to the end of such Performance Period),

(the "**Performance Conditions**").

Definitions

For the purpose of calculating the Performance Fee:

- (A) "**Average NAV**" means the weighted average of the Company's NAV at the end of each day during the Performance Period;
- (B) "**Closing NAV per Share**" means the NAV per Share on the last Business Day of the relevant Performance Period (which shall not, for the avoidance of doubt, be adjusted for any Performance Fee accrued in relation to such Performance Period);
- (C) "**First Performance Period**" means the period from Admission up to and including 30 June 2018;
- (D) "**Month**" means a calendar month;
- (E) "**NAV per Share**" means the Net Asset Value divided by the number of Shares in issue (excluding any Shares held in treasury) at the relevant time;
- (F) "**Performance Hurdle**" means, in relation to each Performance Period, "A" multiplied by "B", where:

"A" is equal to the Starting NAV per Share increased by two times the rate of return on 13 week Treasury Bills published by the US Department of the Treasury over the Performance Period, less the Starting NAV per Share; and

"B" is the weighted average of the number of Shares in issue (excluding any Shares held in treasury) at the end of each day during the Performance Period;

- (G) **"Performance Period"** means the First Performance Period and/or a Subsequent Performance Period, as the context so requires;
- (H) **"Starting NAV per Share"** means the NAV per Share on the first Business Day of each Performance Period (which, for the avoidance of doubt, shall be net of any accrued but unpaid Performance Fees for any previous Performance Periods but shall not be reduced by any dividends paid during such Performance Period which were declared in respect of any previous Performance Period);
- (I) **"Subsequent Performance Period"** means each 12-Month period subsequent to the First Performance Period, commencing on the relevant 1 July and ending on the relevant 30 June (inclusive), provided that the last Performance Period will end on the date on which the Portfolio Management Agreement is terminated;
- (J) **"Total Return"** means, in relation to each Performance Period, "C" multiplied by "D", where:

"C" is the difference between the Starting NAV per Share and the Closing NAV per Share (with the Closing NAV per Share being adjusted for any changes to the NAV per Share through dividend payments, Share repurchases (howsoever effected) and Share issuances during the relevant Performance Period); and

"D" is the weighted average of the number of Shares in issue (excluding any Shares held in treasury) at the end of each day during the Performance Period.

The Performance Fee for a given Performance Period shall be paid within 10 Business Days following the end of such Performance Period.

11.2.4 Special provisions relating to the termination of the AIFM's appointment

The Portfolio Management Agreement will also terminate automatically upon termination of the AIFM's appointment as the Company's alternative investment fund manager; provided that, upon such termination, the Portfolio Manager may, at its discretion, require the Company to take reasonable endeavours to procure that the Portfolio Manager be appointed as a delegate to the Company's successor alternative investment fund manager on materially similar contractual terms relating to fees and termination as those set out in the Portfolio Management Agreement.

11.3 Form of Distribution Agreement

- 11.3.1 The Company may appoint one or more entities to act as Distributors for the Placing pursuant to distribution agreements to be entered into between the Company and such Distributors.
- 11.3.2 In consideration for the Distributor procuring subscribers for Shares pursuant to the Placing at the Placing Price, the Company shall pay such Distributor a commission. In addition to the commission, the Distributor may, in its sole discretion, charge a fee and/or a commission directly to any subscriber procured in connection with the Placing.
- 11.3.3 The Distributor agrees that if any of the Company, the AIFM or the Portfolio Manager or their respective affiliates and the respective directors, officers, employees or agents of each of any such person as is mentioned above and each other person, if any, controlling any of the Company, the AIFM or the Portfolio Manager or their respective affiliates incurs any losses, claims, costs, taxes, damages or liabilities (including, without limitation, legal fees, costs and expenses) ("**Distribution Loss**") arising out of, in connection with or based on a

breach by the Distributor of any of its representations, warranties, undertakings or obligations contained in the Distribution Agreement, the Distributor shall pay to such person on demand an amount equal to such Distribution Loss together with any tax (including VAT) payable on or chargeable in respect of any such amount.

11.3.4 The Company agrees to indemnify the Distributor and its officers, directors, employees and registered representatives against any Distribution Loss arising as a result of: (i) the Prospectus not containing or fairly presenting all information required to be contained therein, or arising out of any untrue statement of a material fact contained in the Prospectus, or the omission of a material fact necessary in order to make the statements therein, in light of the circumstances in which they were made not misleading; (ii) any breach by the Company of any of the provisions of the Distribution Agreement.

11.3.5 Either party may terminate the Distribution Agreement at any time on written notice, such termination to be without prejudice to any accrued rights or obligations of either party to the Distribution Agreement as at the time of such termination.

11.4 Depositary Agreement

11.4.1 The Company has entered into the Depositary Agreement with the AIFM and the Depositary on 15 June 2017 pursuant to which the Depositary has been appointed as depositary to the Company and will perform those duties prescribed under the Depositary Agreement, the AIFM Directive, the relevant FCA Rules and the terms of this Prospectus.

11.4.2 The appointment of the Depositary under the Depositary Agreement may be terminated without cause by not less than 90 days' written notice during which period a successor depositary may be appointed. If no successor depositary has been appointed during such period, the Directors shall, subject to the approval of the FCA or the United Kingdom's Prudential Regulation Authority (as applicable), appoint a liquidator who shall wind up the Company.

11.4.3 In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholders.

11.4.4 Neither the Depositary nor the AIFM shall be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary or the AIFM (as the case may be) of their duties and obligations under the Depositary Agreement.

11.4.5 The Depositary may delegate its safekeeping functions subject to the terms of the Depositary Agreement, but the Depositary's liability shall not be affected by any such delegation. The Depositary has delegated safekeeping duties as set out in the AIFM Directive and the FCA Rules to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK, whom it has appointed as its global sub-custodian.

11.4.6 The Depositary, its Affiliates or third parties to whom safekeeping duties are delegated may, subject to any reasonable conditions that may be agreed with the Company or the AIFM acting on behalf of the Company, reuse the "Assets" (as defined in the Depositary Agreement).

11.4.7 From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates, for example, and without prejudice to the generality of the foregoing, where an appointed delegate is an affiliated group company and is providing a product or service to the Company and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company which receives remuneration for other related products or services it provides to the Company. The Depositary maintains a conflict of

interest policy to address this. For further details refer to paragraph 10 of Part IV (Directors and Administration) of this Prospectus.

11.5 Company Secretarial Services Agreement

- 11.5.1 The Company has entered into the Company Secretarial Services Agreement with the Company Secretary on 15 June 2017 pursuant to which the Company Secretary provides customary company secretarial services to the Company including arranging, convening and attending board and general meetings, liaising with the Board, giving notice of and circulating papers for Board meetings, preparing the timetable for and co-ordinating the production of the annual financial statements, making all such returns and filings on behalf of the Company as may be required by the Act, liaising with the UK Listing Authority, the London Stock Exchange and TISE in connection with matters which fall within the scope of the normal course of the Company's activities relating to Admission, ensuring that the Articles are kept up to date and keeping all Company-related documentation as required by applicable law.
- 11.5.2 In consideration for its services, the Company Secretary is entitled to receive a fee (exclusive of VAT) which comprises a fixed component and a variable component. The fee is payable on a monthly basis in arrears. The Company will be charged a fixed fee of £25,000 in Year 1 and £35,000 in each subsequent year. The variable fee component will be charged at one-twelfth of 0.01 per cent. of the most recently published Net Asset Value prior to the date on which the fees for a given month are calculated provided that such Net Asset Value exceeds £100 million.
- 11.5.3 Under the terms of the Company Secretarial Services Agreement, the Company Secretary will indemnify the Company (for itself and as trustees for its directors, officers or agents) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the negligence, bad faith, fraud, wilful default or breach of any of the provisions of the Company Secretarial Services Agreement on the part of the Company or its servants, officers or agents) in the Company Secretary's performance of its duties and obligations under this Agreement, up to a maximum limit of £250,000.
- 11.5.4 Except where previously terminated, the Company Secretarial Services Agreement will continue for a minimum term of 5 years. Either party may terminate the arrangement by giving not less than six months' written notice, provided that where such notice is given prior to the expiry of the 5-year minimum term, it shall not have effect prior to the expiry of such 5-year minimum term. Either party may terminate the arrangement in respect of some or all the services in the event of a breach of the Company Secretarial Services Agreement by the other party if such breach has not been waived or not been remedied within the prescribed time (where capable of remedy).
- 11.5.5 The Company Secretarial Services Agreement shall be governed by and construed in accordance with the laws of England and Wales.

11.6 Administration Services Agreement

- 11.6.1 The Company has entered into the Administration Services Agreement with the Administrator on 15 June 2017 pursuant to which the Administrator provides day-to-day administration of the Company including calculation of the Net Asset Value and the Net Asset Value per Share at each valuation point, maintenance of the books of accounts and financial records of the Company with full audit trail, input of confirmed deals data in respect of all investment transactions entered into by the Company, reconciliation of the Company's bank balance and investment holdings with the custody data that it maintains, preparation of financial information for inclusion in board packs for each board meeting, preparation of periodic reporting as agreed with the Company and the provision of such

information that is in its possession and may be required by the Depositary to enable the Depositary to perform its functions.

- 11.6.2 Under the terms of the Administration Services Agreement, the Administrator is entitled to such costs, expenses, disbursements as may be agreed upon by the Company and the Administrator from time to time in a separate fee schedule. Fee will be payable monthly in arrears, exclusive of VAT. (For further details, please refer to paragraph 9 of Part IV (Directors and Administration) of this Prospectus.)
- 11.6.3 The Administrator is expected to exercise reasonable skill and care in the performance of its duties, as to be expected of a professional provider of services similar to those agreed to be provided under the Administration Services Agreement. The Administrator shall not be liable to the Company for any action taken or omitted by the Administrator in good faith and without negligence, wilful default or its fraud. The Company will indemnify and hold harmless the Administrator against any and all losses, liabilities, damages, actions, proceedings, claims, demands, costs, charges, taxes (excluding any income taxes assessable in respect of fees payable to the Administrator under the Administration Services Agreement), interest, penalties, assessments and expenses (including, without limitation, all legal, professional and other expenses, and amounts reasonably paid in settlement) paid, suffered or incurred by the Administrator in connection with the Administration Services Agreement, provided that any legal, professional and other expenses are reasonable and properly incurred.
- 11.6.4 A party may terminate the arrangement by giving 180 days' notice in writing to the other party. Further, either party may terminate the arrangement at any time by written notice to the other party if: (i) an order is made or a resolution passed for the winding up or liquidation of the other party; (ii) an administrator is appointed in respect of the other party pursuant to the Insolvency Act 1986; (iii) the other party is or becomes insolvent or commits any act of bankruptcy; (iv) a receiver is appointed or an incumbrancer takes possession of any of the assets or undertaking of the other party, or if some event having an equivalent effect occurs; (v) any similar or analogous event relating to those set out in (i) to (iv) above occurs in any jurisdiction; or (vi) the other party commits any material breach of its obligations under the Administration Services Agreement and has failed to cure such breach within the prescribed time.
- 11.6.5 The Administration and Services Agreement shall be governed by the laws of England and Wales.

11.7 Registrar Services Agreement

- 11.7.1 The Company has entered into the Registrar Services Agreement with the Registrar on 15 June 2017 pursuant to which the Registrar is appointed to act as registrar, paying agent and transfer agent to the Company.
- 11.7.2 Under the terms of the Registrar Services 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 VAT). The Registrar is also entitled to reimbursement of all reasonable out of pocket costs, expenses and charges properly incurred on behalf of the Company.
- 11.7.3 The Registrar Services Agreement may be terminated on 6 months' notice and is also terminable on shorter notice in the event of breach of the agreement or insolvency.
- 11.7.4 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 Services Agreement.
- 11.7.5 The Registrar Services Agreement is governed by the laws of England and Wales.

11.8 Receiving Agent Agreement

- 11.8.1 The Company has entered into the Receiving Agent Agreement with the Receiving Agent on 15 June 2017 pursuant to which the Receiving Agent is appointed to act as receiving agent to the Company. The Receiving Agent will accept responsibility for, inter alia, receiving the application for Shares and the application monies, holding application cheques in a secure area to present them for payment and receiving and checking conversion instructions.
- 11.8.2 Under the terms of the receiving agent agreement, the Receiving Agent is entitled to a fee at an hourly rate, plus a processing fee per application. The Receiving Agent is also entitled to reimbursement of all reasonable out-of-pocket expenses properly incurred by it in connection with its duties.
- 11.8.3 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 agreement.
- 11.8.4 The agreement is governed by the laws of England and Wales.

12. 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 Prospectus which may have, or have had in the recent past, a significant effect on its financial position or profitability.

13. SIGNIFICANT CHANGE

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

14. WORKING CAPITAL

The Company is of the opinion that, assuming the Minimum Net Proceeds is raised, the working capital available to it is sufficient for the present requirements of the Company, that is for at least 12 months from the date of this Prospectus.

15. CAPITALISATION AND INDEBTEDNESS

As at the date of this Prospectus, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness and the Company's issued share capital consists of 1 Share and 5,000,000 Redeemable Preference Shares with no legal reserve or other reserves.

16. THIRD PARTY INFORMATION AND CONSENTS

- 16.1 Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. Where information contained in this Prospectus has been so sourced, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 16.2 The Portfolio Manager has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which they appear. The Portfolio Manager has given and not withdrawn its written consent to the inclusion in this Prospectus of the information and opinions contained in Part II (Investment Proposition) and Part III (The AIFM and the Portfolio Manager) of this Prospectus and any other information or opinion related or attributed to it, and the references to it in the form and context in which they appear and has authorised such information and opinions.
- 16.3 The AIFM has given and not withdrawn their written consent to the inclusion in this Prospectus of references to its names in the form and context in which they appear.

- 16.4 GAMCO has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its names in the form and context in which they appear.
- 16.5 Intermonte has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its names in the form and context in which they appear.
- 16.6 Paullier has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its names in the form and context in which they appear.
- 16.7 MMJ has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its names in the form and context in which they appear.
- 16.8 Capital Strategies has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its names in the form and context in which they appear.

17. GENERAL

- 17.1 The Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.
- 17.2 In accordance with the Prospectus Rules, the Company will file with the FCA, and make available for inspection by the public, details of the number of Shares issued under this Prospectus. The Company will also notify the issue of the Shares through an RIS.

18. ADDITIONAL AIFM DIRECTIVE DISCLOSURES

Professional indemnity insurance

The AIFM complies with the requirements of the AIFM Directive with respect to cover for professional negligence liabilities through a professional indemnity insurance policy.

AIFM Directive leverage limits

For the purposes of the AIFM Directive, leverage is required to be calculated using two prescribed methods: (i) the gross method; and (ii) the commitment method, and expressed as the ratio between a fund's total exposure and its net asset value.

As measured using the gross method, the level of leverage to be incurred by the Portfolio Manager on behalf of the Company is not to exceed 400 per cent of NAV (which is the equivalent of a ratio of 5 to 1). The gross method calculates exposure as the *absolute value* of the sum of all investment positions (long and short), including derivative positions for which exposure is calculated as the equivalent position in an underlying asset.

As measured using the commitment method, the level of leverage to be incurred by the Portfolio Manager on behalf of the Company is not to exceed 150 per cent of NAV (which is the equivalent of a ratio of 2.5 to 1). The commitment method calculates exposure from all investment positions, including derivative positions for which exposure is calculated as the equivalent position in an underlying asset, but factors in hedging arrangements that offset exposure.

Liquidity risk management

There is no right or entitlement attaching to Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder.

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, repayment of any debt and the fees payable to the Company's service providers) of the Company as they fall due.

In managing the Company's assets, therefore, the AIFM will seek to ensure that the Company holds at all times a portfolio of assets that is sufficiently liquid to enable it to discharge its payment obligations.

Fair treatment of Shareholders

The TISE Listing Rules, which the Company is required to comply with, requires fair treatment of Shareholders.

19. INFORMATION ON SECURITIES FINANCING TRANSACTIONS

The Company may employ the following SFTs:

- securities lending transactions;
- sale with repurchase transactions and repurchase transactions.

The Company may also enter into total return swaps.

The Company may employ SFTs and total return swaps amongst others to maximize positive returns, but also for hedging and efficient portfolio management purposes.

The Company may employ SFTs and total return swaps only if (i) they are economically appropriate and realized in a cost-effective way; (ii) they aim at a reduction of risk or cost or aim at generating additional capital or income; and (iii) the risks are adequately captured by the risk management process of the AIFM.

All types of target assets as described in the investment strategy may be subject to SFTs and total return swaps arrangements.

The maximum proportion of assets under management of the Company that can be subject to SFTs and total return swaps is 150 per cent.

The current expected portion of assets under management that will be subject to SFTs and total return swaps is 100 per cent.

The counterparties to the SFTs and total return swaps will be selected on the basis of very specific criteria taking into account notably their legal status, country of origin, and minimum credit rating. The Company will therefore only enter into SFTs and total return swaps with first class institutions that are subject to prudential supervision and specialized in this type of transactions, having their registered office in an OECD Member State and typically having a credit rating of at least AA-1 from Standard & Poor's or Fitch Ratings or A3 from Moody's Investors Services.

Collateral received must take the form of

- liquid assets;
- sovereign instruments;
- shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- shares or units issued by non-sophisticated UCITS;
- bonds issued or guaranteed by first class issuers offering an adequate liquidity; or
- shares admitted to or dealt in on a Regulated Market of an EU Member State or on a stock exchange of an OECD Member State.

Eligible collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Company receives from a counterparty of SFTs a basket of collateral with a maximum exposure to a given issuer of 30 per cent. of the Company's net asset value. When the Company is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 30 per cent. limit of exposure to a single issuer. By way of derogation, the Company may be fully collateralized in sovereign instruments.

The Company's exposure, and therefore the collateral required to be posted, will typically be calculated on a daily mark-to-market basis.

The Company may apply haircuts which depend on issuer, rating, maturity and guarantees to control and manage the eligible collateral.

Assets subject to SFTs and total return swaps and collateral received are safe-kept with the Depositary.

As the case may be, cash collateral received by the Company in relation to any of these above mentioned transactions may be reinvested in a manner consistent with the investment objectives of the Company in (a) shares or units issued by money market undertakings for collective investment calculating a daily net asset value and being assigned a rating of AAA or its equivalent, (b) short-term bank deposits, (c) money market instruments as defined in the above referred Grand-Ducal regulation, (d) short-term bonds issued or guaranteed by an EU member state, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with EU, regional or worldwide scope, (e) bonds issued or guaranteed by first class issuers offering an adequate liquidity, and (f) reverse repurchase agreement transactions according to the provisions described under section I.C.a) of the above referred CSSF Circular. Such reinvestment will be taken into account for the calculation of each concerned Company's global exposure, in particular if it creates a leverage effect.

All revenues arising from SFTs and total return swaps, net of direct and indirect operational costs and fees, will be returned to the Company. In particular, fees and cost may be paid to agents of the Company and other intermediaries providing services in connection with total return swaps and SFTs as normal compensation of their services. Such fees may be calculated as a percentage of gross revenues earned by the Company through the use of such techniques and transactions. Information on the identity of the entities to which such costs and fees are paid will also be available in the annual report of the Company. These parties are not related parties to the Portfolio Manager or the AIFM.

20. UK RULES ON MARKETING OF POOLED INVESTMENTS

The FCA Handbook contains rules restricting the marketing within the UK of certain pooled investments or 'funds', referred to in the FCA Handbook as non-mainstream pooled investments ("**NMPIs**"), to 'ordinary retail clients'. These rules took effect on 1 January 2014. These rules currently do not apply to investment trusts.

21. ELIGIBILITY FOR INVESTMENT BY UCITS OR NURS

The Company has been advised that the Shares should be "transferable securities" and, therefore, should be eligible for investment by UCITS or NURS on the basis that: (i) the Company is a closed-ended investment company incorporated in England and Wales as a public limited company; (ii) the Shares are to be admitted to trading on the Specialist Fund Segment; and (iii) the Portfolio Manager is a registered investment adviser under the Advisers Act and is regulated by the SEC and, as such, is subject to the SEC's rules in the conduct of its investment business. The manager of a UCITS or NURS should, however, satisfy itself that the Shares are eligible for investment by that UCITS or NURS, including the factors relating to that UCITS or NURS itself, specified in the Collective Investment Scheme Sourcebook of the FCA Handbook.

22. DOCUMENTS ON DISPLAY

22.1 The following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company until Admission:

22.1.1 this Prospectus; and

22.1.2 the Articles.

22.2 In addition, copies of this Prospectus are available, for inspection only, from the National Storage Mechanism (<http://www.hemscott.com/nsm.do>) and the Company's website.

22.3 Further copies of this Prospectus and the constitutional documents of the Company may be obtained, free of charge, from the registered office of the Company as provided in paragraph 1.4 of this Part VII (Additional Information on the Company) of this Prospectus.

PART VIII – TERMS AND CONDITIONS OF THE PLACING

1. INTRODUCTION

The latest time and date for receipt of placing commitments under the Placing is 5.00 pm on 12 July 2017 or such other date as may be determined by the Company, with the Placing closing at 5.00 pm on 14 July 2017. In order to subscribe for Shares under the Placing, each Placee may be required by the Company or any Distributor to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as the Company or any Distributor (in its absolute discretion) sees fit. The Company or any Distributor may also require any such Placee to execute such additional subscription documentation (including any know-your-client or anti-money laundering documentation) as the Company or any Distributor (in its absolute discretion) sees fit.

2. AGREEMENT TO SUBSCRIBE FOR SHARES

Each Placee's agreement to subscribe for Shares is conditional on: (i) Admission occurring by 8.00 am on 19 July 2017 (or such later date, not being later than the Long Stop Date, as the Company may determine); and (ii) the Minimum Gross Proceeds (and, consequently, the Minimum Net Proceeds) being raised. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

3. PAYMENT FOR SHARES

- (i) Each Placee must pay the Placing Price for the Shares allocated to the Placee in the manner and by the time directed by or on behalf of the Company. In this regard, each Placee is deemed to agree that any cheque or other remittance accompanying its placing commitment will be honoured on first presentation at or following such time directed by or on behalf of the Company. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for Shares may, at the discretion of the Company, either be rejected or accepted. In the case of acceptance, paragraph (ii) of these terms and conditions shall apply.
- (ii) Each Placee is deemed to agree that if it does not comply with its obligation to pay the Placing Price for the Shares allocated to it in accordance with paragraph 3(i) of these terms and conditions and the Company elects to accept that Placee's application, the Company may arrange for all or any of the Shares allocated to the Placee to be sold on such Placee's behalf and retain from the proceeds, for the Company's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Shares on such Placee's behalf.

4. REPRESENTATIONS AND WARRANTIES

By agreeing to subscribe for Shares, each Placee which enters into a commitment to subscribe for Shares will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to agree, represent and warrant to each of the Company, the AIFM, the Portfolio Manager, the Registrar and the relevant Distributor (as applicable) that:

- (i) in agreeing to subscribe for Shares, it is relying solely on this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus and prior to Admission 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 AIFM, the Portfolio Manager, the Registrar such Distributor, nor any of their respective Affiliates, officers,

agents or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;

- (ii) the contents of this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus and prior to Admission are exclusively the responsibility of the Company and the Directors (and other persons that accept liability for the whole or part of this Prospectus and any such supplementary prospectus) and apart from the responsibilities and liabilities, if any, which may be imposed on any Distributor by FSMA or the regulatory regime established thereunder, neither the Distributor nor any person acting on its (or their) behalf nor any of its (or their) Affiliates accepts any responsibility whatsoever for, and makes any representation or warranty, express or implied, as to the contents of this Prospectus or any supplementary prospectus published by the Company subsequent to the date of this Prospectus and prior to Admission or for any other statement made or purported to be made by the Company, or on its (or their) behalf, in connection with the Company, the Shares, the Placing or Admission and nothing in this Prospectus and any such supplementary prospectus will be relied upon as a promise or representation by any Distributor, whether or not it relates to the past or future. Each Distributor accordingly disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it or they might otherwise have in respect of this Prospectus or any such supplementary prospectus or any such statement;
- (iii) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Shares, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the AIFM, the Portfolio Manager and the Distributors or any of their respective Affiliates, officers, agents, or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;
- (iv) it acknowledges the representations, warranties, undertakings, agreements and acknowledgements set out in this Prospectus, including those set out in paragraphs 8 and 9 of Part V (Issue Arrangements) of this Prospectus;
- (v) it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Shares and it is not acting on a non-discretionary basis for any such person;
- (vi) it agrees that, having had the opportunity to read this Prospectus, it shall be deemed to have had notice of all information and representations contained in this Prospectus, that it is acquiring Shares solely on the basis of this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus and prior to Admission and no other information, and that in accepting a participation in the Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for the Shares;
- (vii) it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus and prior to Admission and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Portfolio Manager, the Registrar or any Distributor;
- (viii) 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;

- (ix) it accepts that none of the Shares have been or will be registered under the laws of any Restricted Territory. Accordingly, the Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Restricted Territory unless it is lawful to do so and an exemption from any registration requirement is available;
- (x) 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;
- (xi) if it is resident in the EEA, it is a "Qualified Investor" within the meaning of the law in the Relevant Member State implementing Article 2(1)(i), (ii) or (iii) of the Prospectus Directive;
- (xii) if it is a professional investor (as such term is given meaning in the AIFM Directive) resident, domiciled in, or with a registered office in, the EEA, it confirms that the Shares have only been promoted, offered, placed or otherwise marketed to it, and the subscription will be made from, (a) a country outside the EEA; (b) a country in the EEA that has not transposed the AIFM Directive as at the date of the Placee's commitment to subscribe is made; or (c) Italy or the United Kingdom or (d) a country in the EEA in which the Portfolio Manager has confirmed that it has made the relevant notification or applications in that EEA country and is lawfully able to market Shares into that EEA country;
- (xiii) if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- (xiv) it acknowledges that none of the Distributors nor any of their respective Affiliates, nor any person acting on behalf of either of them (or their respective Affiliates) 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 its participation in the Placing is on the basis that it is not and will not be a client of any Distributor nor any of their respective Affiliates, and that none of the Distributors nor any of their respective Affiliates has any duties or responsibilities to it for providing the protections afforded to their respective clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in these terms and conditions or in any other subscription documentation, where relevant;
- (xv) it confirms that any of its clients, whether or not identified to the Distributors or any of their respective Affiliates or agents, will remain its sole responsibility and will not become clients of the Distributors or any of their respective Affiliates or agents for the purposes of the rules of the Financial Conduct Authority or for the purposes of any other statutory or regulatory provision;
- (xvi) where it or any person acting on its behalf is dealing with any Distributor, any money held in an account with that distributor on its behalf and/or any person acting on its behalf will not be treated as client money within the meaning of the relevant rules and regulations of the Financial Conduct Authority or other relevant regulatory authority which therefore will not require that distributor to segregate such money as that money will be held by that distributor under a banking relationship and not as trustee;
- (xvii) it has not and will not offer or sell any Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in

circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 102B of FSMA;

- (xviii) it is an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook and it is subscribing for or purchasing the Shares for investment only and not for resale or distribution;
- (xix) it irrevocably appoints any Director and any director of the relevant Distributor to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;
- (xx) it accepts that if the Placing does not proceed or the Shares for which valid applications are received and accepted are not admitted to trading on the Specialist Fund Segment and/or the Official List of the TISE for any reason whatsoever, then none of the Company or the Distributors nor any of their respective Affiliates, 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;
- (xxi) it has not taken any action or omitted to take any action which will or may result in the Company, the Distributors or any of their respective Affiliates, directors, officers, agents, employees or advisers being in breach of the legal or regulatory requirements of any territory in connection with the Placing or its subscription of Shares pursuant to the Placing;
- (xxii) 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 countering terrorist financing and that its application is only made on the basis that it accepts full responsibility for any requirement to identify and verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 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 Directive;
- (xxiii) due to anti-money laundering and the countering of terrorist financing requirements, the Company or any Distributor may require proof of identity of the Placee and its related parties and any underlying client and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the Placee to produce any information required for verification purposes, the Company or Distributor may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify the Company, or any Distributor and their respective Affiliates against any liability, loss or cost ensuing due to the failure to process the application, if such information as has been required was not provided by it or has not been provided on a timely basis;
- (xxiv) it and each person or body (including, without limitation, any local authority or the managers of any pension fund) on whose behalf it accepts Shares pursuant to the Placing or to whom it allocates such Shares have the capacity and authority to enter into and to perform their obligations as a Placee of the Shares and will honour those obligations;
- (xxv) as far as it is aware, save as otherwise disclosed in this Prospectus, it is not acting in concert (within the meaning given in the Takeover Code) with any other person in relation to the Company;

- (xxvi) the Company and the Distributors (and any agent acting on their behalf) are entitled to exercise any of their rights in connection with the Placing or any other right in their absolute discretion without any liability whatsoever to it (or any person on whose behalf the Placee is acting);
- (xxvii) the representations, undertakings and warranties contained in this Prospectus or in any subscription documentation, where relevant, are irrevocable. It acknowledges that the Company and any Distributor and their respective Affiliates will rely upon the truth and accuracy of such representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by it in connection with its subscription for the Shares are no longer accurate, it shall promptly notify the Company and the relevant Distributor;
- (xxviii) it confirms that it is not, and at Admission will not be, an Affiliate of the Company or a person acting on behalf of such Affiliate, and it is not acquiring Shares for the account or benefit of an Affiliate of the Company or of a person acting on behalf of such an Affiliate;
- (xxix) it will (or will procure that its nominee will) if applicable, make notification to the Company of the interest in its Shares in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules issued by the FCA and made under Part VII of FSMA as they apply to the Company;
- (xxx) it accepts that the allocation of Shares shall be determined by the Company (in its absolute discretion) and that the Company may scale down any applications for this purpose on such basis as they may determine;
- (xxxi) time shall be of the essence as regards its obligations to settle payment for the Shares and to comply with its other obligations under the Placing; and
- (xxxii) it confirms that any cheque or other remittance accompanying its placing commitment will be honoured on first presentation at or following such time directed by or on behalf of the Company.

5. **SUPPLY AND DISCLOSURE OF INFORMATION**

If the Company, the AIFM, the Portfolio Manager, the Registrar, and the Distributors or any of their agents request any information in connection with a Placee's agreement to subscribe for Shares under the Placing or to comply with any relevant legislation, such Placee must promptly disclose it to them.

6. **DATA PROTECTION**

- (i) 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.
- (ii) Personal data held by the Registrar may be used to process basic changes to shareholder records, process bank account information for processing dividend payments, and to carry out other ancillary processing functions in order to ensure that the Registrar is able to discharge its obligations under the Registrar Services Agreement; and may be disclosed to any person with legal, administrative or regulatory power over the Registrar in respect of the services under the Registrar Services Agreement, the Registrar's Affiliates, including such Affiliates which are outside of the EEA in countries which do not have similar protections in place regarding the information and its use (provided that the Registrar shall ensure that any Affiliates outside the EEA to whom personal data is disclosed have put in place proper security measures to ensure at least the same level of protection of the personal data as is required under the DP Act) and to any third parties who are involved in carrying out functions related to the services under the Registrar Services Agreement.
- (iii) 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 the Registrar of any personal data relating to them in the manner described above.

7. MISCELLANEOUS

- (i) The rights and remedies of the Company, the AIFM, the Portfolio Manager, the Registrar, and the Distributors 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.
- (ii) On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee and at the Placee's risk.
- (iii) 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 any non-contractual obligations arising under or in connection with 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 the Company, the AIFM, the Portfolio Manager, the Registrar and the Distributors and their respective Affiliates, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against a Placee in any other jurisdiction.
- (iv) 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.
- (v) The Distributors 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.
- (vi) The Placing is subject to the satisfaction of the conditions contained in the Distribution Agreement and such agreement not having been terminated prior to Admission. For further details of the terms of the Distribution Agreement please refer to paragraph 11.3 of Part VII (Additional Information on the Company) of this Prospectus.

PART IX – DEFINITIONS

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| "2010 PD Amending Directive" | Directive 2010/73/EU of 24 November 2010 amending Directives 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading and 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market |
| "ACG" | Associated Capital Group, Inc. |
| "Act" | the UK Companies Act 2006, as amended from time to time |
| "Administration Services Agreement" | the agreement between the Company and the Administrator summarised in paragraph 11.6 of Part VII (Additional Information on the Company) of this Prospectus |
| "Administrator" | State Street Bank and Trust Company, London Branch |
| "Admission" | the admission of all Shares issued in connection with the Placing to trading on the Specialist Fund Segment becoming effective in accordance with the LSE Admission Standards, and the admission of all Shares issued in connection with the Placing to listing and trading on the Official List of the TISE becoming effective in accordance with the TISE Listing Rules |
| "Advisers Act" | the United States Investment Advisers Act of 1940, as amended |
| "Affiliate" | an affiliate of, or person affiliated with, a specified person being a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified |
| "AIC Code" | has the meaning given to it in paragraph 12 of Part IV (Directors and Administration) of this Prospectus |
| "AIF" | an alternative investment fund, within the meaning of the AIFM Directive |
| "AIFM Agreement" | the agreement between the Company and the AIFM summarised in paragraph 11.1 of Part VII (Additional Information on the Company) of this Prospectus |
| "AIFM Directive" | Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No. 1095/2010; the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision |
| "AIFM Regulation" | the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing the AIFMD, as amended from time to time |

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| "AIFM" | Carne Global Fund Managers (Ireland) Limited |
| "Articles" | the articles of association of the Company, as amended and restated from time to time |
| "Audit Committee" | the committee of this name established by the Board and having the duties described in paragraph 12 of Part IV (Directors and Administration) of this Prospectus |
| "Average NAV" | has the meaning given to it in paragraph 9 of Part IV (Directors and Administration) of this Prospectus |
| "Beneficial Owner" | has the meaning given to it in paragraph 6 of Part I (The Company) of this Prospectus |
| "Beneficial Owner" | has the meaning given to it in paragraph 6.2.21(A)(1) of Part VII (Additional Information on the Company) of this Prospectus |
| "Benefit Plan Investors" | has the meaning given to it on the cover of this Prospectus |
| "Business Day" | a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business |
| "Capital Strategies" | Capital Strategies Partners, A.V., S.A. |
| "certificated" or "in certificated form" | not in uncertificated form |
| "Chairman" | the chairman of the Company |
| "Change of Control" | means in relation to a holder that is not a natural person shall occur when, through a transaction or a series of related transactions: (i) a majority of the voting interests of such holder; (ii) the de facto ability to direct the casting of a majority of the votes exercisable at general meetings of shareholders of such holder; and/or (iii) the ability to appoint or remove a majority of the directors, executive directors or board members or executive officers of such holder or to direct the casting of a majority or more of the voting rights at meetings of the board of directors, governing body or executive committee of such holder, has been transferred to a new owner. No change of control shall be deemed to have occurred if: (i) the transfer of ownership and/or control is an intragroup transfer under the same parent company; or (ii) the transfer of ownership and/or control is the result of the succession or the liquidation of assets between spouses or the inheritance, inter vivo donation or other transfer to a spouse or a relative up to and including the fourth degree; |
| "CISA" | the Swiss Federal Act on Collective Investment Schemes |
| "CISO" | the CISA implementing Ordinance |
| "Closing NAV per Share" | has the meaning given to it in paragraph 9 of Part IV (Directors and Administration) of this Prospectus |

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| "Common Reporting Standard" | the global standard for the automatic exchange of financial information between tax authorities developed by the Organisation for Economic Co-operation and Development |
| "Company Secretarial Services Agreement" | the agreement between the Company and the Company Secretary summarised in paragraph 11.5 of Part VII (Additional Information on the Company) of this Prospectus |
| "Company Secretary" | Maitland Administration Services Ltd. |
| "Company" | Gabelli Merger Plus ⁺ Trust Plc, a limited liability company incorporated under the Act in England and Wales 28 April 2017 with registration number on 10747219 |
| "Competition and Markets Authority" | the UK Competition and Markets Authority |
| "Conflicts Committee" | the committee of this name established by the Board and having the duties described in paragraph 12 of Part IV (Directors and Administration) of this Prospectus |
| "Continuation Resolution" | has the meaning given to it in paragraph 9 of Part I (The Company) of this Prospectus |
| "Continuing Confirmation" | has the meaning given to it in paragraph 6.2.21(A)(2) of Part VII (Additional Information on the Company) of this Prospectus |
| "Conversion Date" | means, in any calendar year, such date(s) as the Board may determine in accordance with the Articles |
| "Converting Shares" | means ordinary shares in respect of which valid Conversion Notices have been received and accepted, and which are to be reclassified pursuant to the Articles |
| "CREST Account" | an account in CREST |
| "CREST Regulations" | the UK Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended |
| "CREST" | the relevant system as defined in the CREST Regulations in respect of which Euroclear UK & Ireland Limited is operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form |
| "Custodian" | State Street Bank and Trust Company, London Branch |
| "deals" | has the meaning given to it in paragraph 2 of Part I (The Company) of this Prospectus |
| "Default Shares" | has the meaning given to it in paragraph 6.2.11 of Part VII (Additional Information on the Company) of this Prospectus |
| "Depositary Agreement" | the agreement between the Company, the AIFM and the Depositary summarised in paragraph 11.4 of Part VII (Additional Information on the Company) of this Prospectus |

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| "Depository" | State Street Trustees Limited |
| "Director Resolution" | any resolution of members concerning the appointment or removal of one or more of directors of the Company |
| "Director Resolution" | has the meaning given to it in paragraph 6.2.8(B)(1) of Part VII (Additional Information on the Company) of this Prospectus |
| "Directors" or "Board" | the board of directors of the Company, including any duly constituted committee of the board of directors of the Company |
| "Disclosure Guidance and Transparency Rules" | the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA |
| "Disqualifying Transfer" | has the meaning given to it in paragraph 6.2.21(A)(3) of Part VII (Additional Information on the Company) of this Prospectus |
| "Distribution Agreement" | the form of distribution agreement to be entered into between the Company and the Distributors, as summarised in paragraph 11.3 of Part VII (Additional Information on the Company) of this Prospectus |
| "Distribution Loss" | has the meaning given to it in paragraph 11.3.3 of Part VII (Additional Information on the Company) of this Prospectus |
| "Distributor" | means any distributor appointed by the Company, as described in Part V (Issue Arrangements) of this Prospectus |
| "DP Act" | the UK Data Protection Act 1998 |
| "EEA" | the European Economic Area |
| "ERISA" | the United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder |
| "EU" | the European Union |
| "Event Arbitrage Transaction" | has the meaning given to it in paragraph 2 of Part II (Investment Proposition) of this Prospectus |
| "Event of Default" | has the meaning given to it in paragraph 6.2.21(E)(1) of Part VII (Additional Information on the Company) of this Prospectus |
| "Exchange Act" | the United States Securities Exchange Act of 1934, as amended |
| "Expected Dividend Rate" | has the meaning given to it in paragraph 3 of Part I (The Company) of this Prospectus |
| "FATCA" | Sections 1471 to 1474 of the US Tax Code, known as the US Foreign Account Tax Compliance Act (together with any regulations, rules and other guidance implementing such US Tax Code sections and any applicable intergovernmental agreement or information |

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| | exchange agreement and related statutes, regulations, rules and other guidance thereunder) |
| "FCA Handbook" | the FCA Handbook of Rules and Guidance issued by the FCA, as amended |
| "FCA Rules" | the rules and guidance set out in the FCA Handbook from time to time |
| "FCA" or "Financial Conduct Authority" | the Financial Conduct Authority of the United Kingdom including any replacement or substitute thereof, and any regulatory body or person succeeding, in whole or in part, to the functions thereof |
| "FFI" | has the meaning given to it on page 35 of this Prospectus |
| "Fifth Anniversary Tender Offer" | has the meaning given to it in paragraph 7 of Part I (The Company) of this Prospectus |
| "FINMA" | the Swiss Financial Market Supervisory Authority |
| "First Dividend" | has the meaning given to it in paragraph 3 of Part I (The Company) of this Prospectus |
| "First Performance Period" | has the meaning given to it in paragraph 9 of Part IV (Directors and Administration) of this Prospectus |
| "FSMA" | the UK Financial Services and Markets Act 2000, as amended |
| "Gabelli Group" | the Portfolio Manager and its Affiliates |
| "GAF" | Gabelli Associates Fund, L.P. |
| "GAF's Fees" | has the meaning given to it in paragraph 3 of Part III (The AIFM and the Portfolio Manager) of this Prospectus |
| "GAMCO" | GAMCO Asset Management (UK) Limited |
| "GBL" | has the meaning given to it in paragraph 2 of Part III (The AIFM and the Portfolio Manager) of this Prospectus |
| "GFSC Licencees" | has the meaning given to it on page 42 of this Prospectus |
| "GFSC" | has the meaning given to it on page 42 of this Prospectus |
| "GGCP" | has the meaning given to it in paragraph 2 of Part III (The AIFM and the Portfolio Manager) of this Prospectus |
| "Gross Proceeds" | the capital raised by the Company pursuant to the Placing |
| "HMRC" | HM Revenue & Customs |
| "IFRS" | International Financial Reporting Standards |
| "Ineligible Shareholder" | a Shareholder to whom making the Fifth Anniversary Tender Offer, or whose participation in the Fifth |

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| | Anniversary Tender Offer, is restricted pursuant to any applicable law or regulation |
| "Initial Expenses" | has the meaning given to it in paragraph 9 of Part IV (Directors and Administration) of this Prospectus |
| "Initial Shareholder" | Gabelli & Company Investment Advisers, Inc. |
| "Intermonte" | Intermonte SIM S.p.A. |
| "Investment Company Act" | the United States Investment Company Act of 1940, as amended |
| "IRS" | the United States Internal Revenue Service |
| "ISA" | an individual savings account approved in the UK by HMRC |
| "ISIN" | the International Securities Identification Number |
| "Jersey COBO" | has the meaning given to it on page 42 of this Prospectus |
| "LBO" | Leveraged buyouts |
| "Listing Rules" | the listing rules made by the UK Listing Authority under section 73A of FSMA |
| "London Stock Exchange" or "LSE" | London Stock Exchange Plc, a limited liability company registered in England and Wales with registration number 02075721, whose registered office is at 10 Paternoster Square, London, EC4M 7LS |
| "Long Stop Date" | 1 October 2017 |
| "Loyalty Programme" | has the meaning given to it in paragraph 6 of Part I (The Company) of this Prospectus |
| "Loyalty Register" | has the meaning given to it in paragraph 6 of Part I (The Company) of this Prospectus |
| "LSE Admission Standards" | the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to trading on the Specialist Fund Segment |
| "M&A" | mergers and acquisitions |
| "Main Market" | the main market for securities of the London Stock Exchange |
| "Management Engagement Committee" | the committee of this name established by the Board and having the duties described in in paragraph 12 of Part IV (Directors and Administration) of this Prospectus |
| "Management Fee" | has the meaning given to it in paragraph 9 of Part IV (Directors and Administration) of this Prospectus |
| "Market Abuse Regulation" | Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing the Directive of the European Parliament and of the Council of 28 January 2003 and Commission Directives 2003/124/EC, |

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| "Market Purchases Resolution" | has the meaning given to it in paragraph 7.2 of Part VII (Additional Information on the Company) of this Prospectus |
| "Member State" or "EEA State" | any member state of the European Economic Area |
| "Memorandum" | the memorandum of association of the Company |
| "MF Calculation Date" | has the meaning given to it in paragraph 9 of Part IV (Directors and Administration) of this Prospectus |
| "Minimum Gross Proceeds" | has the meaning given to it in paragraph 1 of Part V (Issue Arrangements) of this Prospectus |
| "Minimum Net Proceeds" | the minimum net proceeds of the Placing, being the Minimum Gross Proceeds less the Initial Expenses to be borne by the Company |
| "MMJ" | Mann Mann Jensen Partners LP |
| "Money Laundering Regulations" | the UK Money Laundering Regulations 2007, as amended |
| "Month" | has the meaning given to it in paragraph 9 of Part IV (Directors and Administration) of this Prospectus |
| "NAV per Share" or "Net Asset Value per Share" | has the meaning given to it in paragraph 9 of Part IV (Directors and Administration) of this Prospectus |
| "NAV" or "Net Asset Value" | the Company's net asset value, calculated as set out in Part I (The Company) of this Prospectus |
| "Net Proceeds" | the net proceeds of the Placing, being the number of Shares issued under the Placing multiplied by the Placing Price less the Initial Expenses to be borne by the Company |
| "Nil Rate Amount" | has the meaning given to it in paragraph 1 of Part VI (Taxation) of this Prospectus |
| "NMPs" | has the meaning given to it in paragraph 20 of Part VII (Additional Information on the Company) of this Prospectus |
| "Nomination Committee" | the committee of this name established by the Board and having the duties described in paragraph 12 of Part IV (Directors and Administration) of this Prospectus |
| "Non-Certifying Shareholder" | has the meaning given to it in paragraph 6.2.8(B)(1) of Part VII (Additional Information on the Company) of this Prospectus |
| "Non-Qualified Holder" | any person: (i) whose ownership of Shares may cause the Company's assets to be deemed "plan assets" for the purposes of ERISA or the US Tax Code; (ii) whose ownership of Shares may cause the Company to be required to register as an "investment company" under the Investment Company Act or to lose an exemption or a status thereunder to which it might otherwise be entitled (including because the holder of Shares is not a "qualified purchaser" as defined in the Investment |

Company Act); (iii) whose ownership of Shares may cause the Company to be required to register under the Exchange Act or any similar legislation; (iv) whose ownership of Shares may cause the Company to be a "controlled foreign corporation" for the purposes of the US Tax Code, or may cause the Company to suffer any pecuniary disadvantage (including any excise tax, penalties or liabilities under ERISA or the US Tax Code); (v) whose ownership of Shares may cause the Company to cease to be considered a "foreign private issuer" for the purposes of the Securities Act or the Exchange Act; or (vi) whose ownership of Shares would or might result in the Company not being able to satisfy its obligations on the Common Reporting Standard developed by the Organisation for Economic Co-Operation and Development or such similar reporting obligations on account of, inter alia, non-compliance by such person with any information request made by the Company

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| "Non-Qualified Holder" | has the meaning given to it in paragraph 6.2.14(G) of Part VII (Additional Information on the Company) of this Prospectus |
| "NURS" | a non-UCITS retail scheme, which is an authorised fund which is neither a UCITS nor a qualified investor scheme |
| "NYSE" | New York Stock Exchange |
| "Official List of the TISE" | the official list maintained by TISE |
| "Official List" | the official list maintained by the UK Listing Authority |
| "OICR" | has the meaning given to it in paragraph 2 of Part VI (Taxation) of this Prospectus |
| "Other Clients" | has the meaning given to it on page 28 of this Prospectus |
| "Overseas Persons" | persons who are resident in, or who are citizens of, or who have registered addresses in, territories other than the UK |
| "Paullier" | Paullier & Cia. Intl. Corp. |
| "Performance Conditions" | has the meaning given to it in paragraph 9 of Part IV (Directors and Administration) of this Prospectus |
| "Performance Fee" | has the meaning given to it in paragraph 9 of Part IV (Directors and Administration) of this Prospectus |
| "Performance Hurdle" | has the meaning given to it in paragraph 9 of Part IV (Directors and Administration) of this Prospectus |
| "Performance Period" | has the meaning given to it in paragraph 9 of Part IV (Directors and Administration) of this Prospectus |
| "personal data" | has the meaning given to it on page 43 of this Prospectus |

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| "Placee" | a person subscribing for Shares under the Placing |
| "Placing Price" | US\$10 per Share |
| "Placing" | the conditional placing of Shares by the Company described in this Prospectus, on the terms and subject to the conditions set out in Part VIII (Terms and Conditions of the Placing) of this Prospectus |
| "PMV" | private market value |
| "POI Law" | has the meaning given to it on page 42 of this Prospectus |
| "Portfolio Management Agreement" | the agreement between the Company, the AIFM and the Portfolio Manager summarised in paragraph 11.2 of Part VII (Additional Information on the Company) of this Prospectus |
| "Portfolio Manager" | Gabelli Funds, LLC |
| "Prospectus Directive" | Directive 2003/71/EC of the European Parliament and of the Council of the European Union and any relevant implementing measure in each Relevant Member State (and the amendments thereto, the 2010 PD Amending Directive) |
| "Prospectus Rules" | the rules and regulations made by the FCA under section 73A of FSMA |
| "Prospectus" | this document |
| "Public Qualified Securities" | has the meaning given to it in paragraph 2 of Part VI (Taxation) of this Prospectus |
| "Qualifying Period" | has the meaning given to it in paragraph 6.2.21(B)(1) |
| "Qualifying Registered Shareholder" | has the meaning given to it in paragraph 7 of Part I (The Company) of this Prospectus |
| "Qualifying Shares" | has the meaning given to it in paragraph 7 of Part I (The Company) of this Prospectus |
| "Receiving Agent Agreement" | the agreement between the Company and the Receiving Agent summarised in paragraph 11.8 of Part VII (Additional Information on the Company) of this Prospectus |
| "Receiving Agent" | Computershare Investor Services Plc |
| "Redeemable Preference Shares" | 5,000,000 redeemable preference shares of £0.01, each having the rights as set out in the Articles, allotted to the Initial Shareholder on 5 June 2017 and to be cancelled following Admission at the same time as the Company's share premium account with the approval of the courts of England and Wales |
| "Register" | the Company's register of members |
| "Registered Holder" or "holder" | means, in relation to shares, the member whose name is entered in the register of members as the holder of the shares |

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| "Registrar Services Agreement" | the agreement between the Company and the Registrars summarised in paragraph 11.7 of Part VII (Additional Information on the Company) of this Prospectus |
| "Registrar" | Computershare Investor Services Plc |
| "Regolamento Emittenti" | CONSOB Regulation No. 11971 of 14 May 1999, as from time to time amended and supplemented |
| "Regolamento Intermediari" | CONSOB Regulation No. 16190 of 29 October 2007, as from time to time amended and supplemented |
| "Regulation S" | Regulation S under the Securities Act |
| "Regulatory Information Service" or "RIS" | a service authorised by the UK Listing Authority to release regulatory announcements to the London Stock Exchange |
| "REIT" | has the meaning given to it in paragraph 2.1.3 of Part VII (Additional Information on the Company) of this Prospectus |
| "Relevant Member State" | each Member State of the EEA which has implemented the Prospectus Directive or where the Prospectus Directive is applied by the regulator |
| "Remuneration Committee" | the committee of this name established by the Board and having the duties described in paragraph 12 of Part IV (Directors and Administration) of this Prospectus |
| "Requesting Investors" | has the meaning given to it on page 42 of this Prospectus |
| "Restricted Territory" | Australia, Canada, Japan, South Africa, and any other jurisdiction where the extension or availability of the Placing would breach any applicable law |
| "Resulting Shares" | means Ordinary Shares arising from a reclassification of Converting Shares pursuant to Article 16 of the Company's Articles |
| "Rome I" | has the meaning given to it in paragraph 6 of Part V (Issue Arrangements) of this Prospectus |
| "SDRT" | UK stamp duty reserve tax |
| "SEC" | the United States Securities and Exchange Commission |
| "Securities Act" | the United States Securities Act of 1933, as amended |
| "SEDOL" | the Stock Exchange Daily Official List |
| "SFTs" | securities financing transactions |
| "Shareholder" | a holder of Shares or any other class of shares in the capital of the Company |
| "Shares" | ordinary shares of US\$0.01 each in the capital of the Company, classified by the Board as "US Dollar Shares" |
| "SIPP" | a self-invested personal pension as defined in Regulation 3 of the Retirement Benefits Schemes |

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| | (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 of the UK |
| "Solvency II Directive" | the Solvency II Directive, Directive 2009/138/EC, approved by the European Council on 5 May 2009 |
| "Special Voting Loyalty Shares" | means redeemable non-participating voting shares of a nominal value of US\$0.01 each in the capital of the Company having the rights and privileges and being subject to the restrictions contained in the Articles |
| "Specialist Fund Segment" | the Specialist Fund Segment of the Main Market of the London Stock Exchange |
| "SSAS" | has the meaning given to it in paragraph 1 of Part VI (Taxation) of this Prospectus |
| "Starting NAV per Share" | has the meaning given to it in paragraph 9 of Part IV (Directors and Administration) of this Prospectus |
| "Sterling" or "£" | pounds sterling, the lawful currency of the UK |
| "Subscription Agreement" | the subscription agreement entered into between the Company and a Placee in connection with the Placing |
| "Subscription Date" | has the meaning given to it in paragraph 6 of Part I (The Company) of this Prospectus |
| "Subscription Period" | has the meaning given to it in paragraph 6 of Part I (The Company) of this Prospectus |
| "Subsequent Performance Period" | has the meaning given to it in paragraph 9 of Part IV (Directors and Administration) of this Prospectus |
| "Takeover Code" | the City Code on Takeovers and Mergers |
| "Takeover Panel" | the UK Panel on Takeovers and Mergers |
| "TISE Listing Rules" | the listing rules made by TISE |
| "TISE" | The International Stock Exchange |
| "Total Return" | has the meaning given to it in paragraph 9 of Part IV (Directors and Administration) of this Prospectus |
| "Treaty" | means the Convention between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of America for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital Gains of July 24, 2001, including any Protocols |
| "TUF" | Legislative Decree 24 February 1998, no. 58 as from time to time amended and supplemented |
| "UCITS Directive" | Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended |
| "UCITS" | an authorised fund authorised by the FCA in accordance with the UCITS Directive |

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| "UK Corporate Governance Code" | the United Kingdom Corporate Governance Code as published by the UK Financial Reporting Council |
| "UK Listing Authority" | the FCA acting in its capacity as the competent authority for the purposes of admissions to the Official List |
| "uncertificated" or in "uncertificated form" | a Share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST |
| "United Kingdom" or "UK" | the United Kingdom of Great Britain and Northern Ireland |
| "United States" or "US" | the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia |
| "US Person" | a "US Person" as defined in Regulation S |
| "US Plan Assets Regulations" | regulations issued by the US Department of Labor, as modified under section 3(42) or ERISA |
| "US Resident" | a resident of the United States within the meaning of Rule 405 under the Securities Act or Rule 3b-4(c) under the Exchange Act |
| "US Tax Code" | the US Internal Revenue Code of 1986, as amended (including any successor statute) |
| "US\$" or "US Dollar" | United States dollars, the lawful currency of the United States |
| "Volcker Rule" | has the meaning given to it on page 36 of this Prospectus |

Gabelli Merger Plus⁺ Trust Plc

(Incorporated in England and Wales with registered no. 10747219 and registered as an investment company under section 833 of the Companies Act 2006)

Placing for up to 20,000,000 Shares at US\$10 per Share

Admission to trading on Specialist Fund Segment of the Main Market of the London Stock Exchange, and to listing and trading on the Official List of the International Stock Exchange

Alternative Investment Fund Manager

Carne Global Fund Managers (Ireland) Limited

Portfolio Manager

Gabelli Funds, LLC

Distributors



GAMCO Investors, Inc.
GABELLI ASSET MANAGEMENT COMPANY (UK)



CONTACT US

GMPAssist@gabelli.com

www.gabelli.com/mergerplus

New York +1-914-921-5135

London +44 (0) 20 3206 2100

APPLICATION FOR SUBSCRIPTION

Gabelli Merger Plus⁺ Trust plc

(Incorporated in England and Wales with registered no. 10747219 and registered as an investment company under section 833 of the Companies Act 2006)

Important: Before completing this form or the accompanying Form of Election, you should read the Prospectus dated on or around 15 June 2017 (the "Prospectus") and the Terms and Conditions of the Placing set out in this document and accompanying notes to this form.

Please send this completed form to Applications@Computershare.co.uk and 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 5.00 p.m. (London time) on 12 July 2017.

Please note that investors wishing to be entered into the Loyalty Register on Admission are also required to send the accompanying Form of Election, duly completed, to Applications@Computershare.co.uk and by post to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ 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 5.00 p.m. (London time) on 12 July 2017.

Box 1: Subscription to Purchase

Amount (Net) \$ _____

Minimum USD subscription subject to individual market regulation. Please include only the net amount to purchase shares of the issuer, and exclude any amount of Commission payable set forth in in Box 2 below.

Notice to prospective investors in Italy (please see section 3). Subject to the accomplishment of the procedure set forth under Article 28-quater of Regolamento Emittenti in order to be marketed in Italy to Professional Investors under Italian Law, no Shares may be offered, sold or delivered, nor may copies of this Prospectus or any other document relating to the Shares be distributed in the Republic of Italy, except to "professional clients" under Italian law, as defined under Article 26 paragraph 1, letter d) of the Regolamento Intermediari and "selected investors", being any investor subscribing for and/or acquiring Shares of the Company in Italy, to the extent permitted under applicable law, for a minimum overall amount in the US Dollar of at least EUR 500,000. Any offer, sale or delivery of the Shares in the Republic of Italy or distribution of copies of this Prospectus or any other document relating to the Shares in the Republic of Italy under the above must be: (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Legislative Decree 24 February 1998, no. 58 (as from time to time amended and supplemented), Regolamento Intermediari and Legislative Decree no. 385 of 1 September 1993 (as from time to time amended and supplemented); and (b) in compliance with any other applicable laws and regulations.

1. APPLICATION

I/We the person(s) detailed in section 2A below:

(i) offer to subscribe the amount shown in Box 1 for Shares, which offer shall be irrevocable subject only to any legal rights to withdrawal and shall, on being accepted by the Company, be subject to the Terms and Conditions of the Placing set out in the Prospectus and subject to the articles of association of the Company in force from time-to-time;

(ii) authorise Computershare, on my/our behalf, to pay _____ (the "**Relevant Distributor**") the amount shown in Box 2. attached hereto includes the payment instructions for the Relevant Distributor.

I/We the person(s) detailed in section 2A below acknowledge, agree and accept that the amount shown in Box 2 is being paid solely and entirely for the benefit of the Relevant Distributor, and not the Company; and that such amount is being paid pursuant to a separate contractual arrangement between I/We the person detailed in section 2A below and the Relevant Distributor, and does not form part of any contractual arrangement between such person and the Company and such amount may not be debited from the Placing Price for the Shares.

Box 2

\$ _____

Commission payable to the Relevant Distributor, if any

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 applicable):

2:

Mr, Mrs, Ms or Title:

Forenames (in full):

Surname/Company Name:

Address (in full):

Postcode:

Designation (if applicable):

| | | |
|----|-----------------------|----------------------|
| 3: | Mr, Mrs, Ms or Title: | Forenames (in full): |
|----|-----------------------|----------------------|

| |
|------------------------------|
| Surname/Company Name: |
| Address (in full): |
| Postcode: |
| Designation (if applicable): |

| | | |
|----|-----------------------|----------------------|
| 4: | Mr, Mrs, Ms or Title: | Forenames (in full): |
|----|-----------------------|----------------------|

| |
|------------------------------|
| Surname/Company Name: |
| Address (in full): |
| Postcode: |
| Designation (if applicable): |

2B 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: |

2C 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:

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|

CREST MEMBER ACCOUNT ID:

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| | | | | | | | |
|--|--|--|--|--|--|--|--|

3. DECLARATION OF THE HOLDERS AND SIGNATURE(S): ALL HOLDERS MUST SIGN

WHEREAS

in relation to potential investors resident in Italy:

the Share(s) are reserved for investors that: (i) fall within the definition of professional investors pursuant to Art. 1, paragraph 1, lett. p) of Ministry of the Economy and Finance Decree No. 30 of 5 March 2015, (“**Professional Investors**”); (ii) although not falling within the notion of Professional Investors, under the terms of Art. 14 of Ministry of the Economy and Finance Decree No. 30 of 5 March 2015, in accordance with the relevant provisions in the Prospectus and the Terms and Conditions of the Placing, subscribe or purchase Shares for not less than 500,000.00 euro (five hundred thousand/00) (“**Non-Professional Investors**”)

the Holder(s)

DECLARES

1. ☐ to be classified as Professional Investor and specifically as:
 - ☐ **private professional client by law**, as defined in Annex 3, para. I, of CONSOB Regulation adopted by resolution of 29 October 2007 and subsequent additions and amendments (the "**Regulation on Intermediaries**") pursuant to art. 6, Para. 2-d of Italian Legislative Decree No. 58 of 24 February 1998 (the “CLF”);
 - ☐ **private professional client by request**, since the conditions set out in Annex 3, para. II, Regulation on Intermediaries are satisfied;
 - ☐ **public professional client**, since the conditions set out in the Decree of the Ministry of Economy and Finance of 11 November 2011, n. 236 adopted in the implementation of Art. 6 of the CLF are met.
2. ☐ to be a Non-Professional Investor.

In relation to the above, the Holder(s) has been asked for information on its knowledge and experience in the investment sector relevant for the type of investment service and of financial instrument(s) for assessing their appropriateness. In this regard, the Holder(s) has acknowledged that in virtue of the classification as a Professional Investor pursuant to Art. 6, Para.2- *quinquies* and 2-*sexies* of the CLF, the level of experience, knowledge and skills necessary to make its decisions knowingly on the subject of investments and to correctly assess the associated risks, may be assumed.

By completing the signature/execution boxes below you are deemed to have read the Prospectus and agreed to the terms and conditions in Part VIII of the Prospectus (Terms and Conditions of the Placing) 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. CLEARING AND SETTLEMENT

Payment for Shares should be made in accordance with settlement instructions to be provided to applicants by (or on behalf of) the Company or the Relevant Distributor. To the extent that any application for Shares is rejected in whole or in part (whether by scaling back or otherwise), monies received will be returned without interest at the risk of the applicant to the bank account from which the monies were received. Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST from Admission. Dealings in Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. In the case of Shares to be issued in uncertificated form pursuant to the Placing, these will be transferred to successful applicants through the CREST system. Accordingly, settlement of transactions in the Shares following Admission may take place within the CREST system if any shareholder so wishes. It is expected that the Company will arrange for Euroclear to be instructed on the date of Admission to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share register of the Company.

PLEASE SELECT METHOD BY CIRCLING (a), (b), OR (c)

(a) CHEQUE/BANKER'S DRAFT

If you are subscribing for Shares and paying by cheque or banker's draft, pin or staple to this form your cheque or banker's draft for the exact amount shown in Box 1 (being the initial issue price of \$10.00 per Share multiplied by the number of Shares you wish to subscribe for) made payable to "Computershare re: Gabelli Merger Plus⁺ Trust plc – Offer for Subscription A/C." Cheques and bankers' payments must be in U.S. Dollars and drawn on an account at a branch of a clearing bank in the United Kingdom, the Channel Islands or the Isle of Man and must bear a United Kingdom bank sort code number in the top right hand corner.

(b) ELECTRONIC BANK TRANSFER

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by than 5.00 p.m. (London time) on 12 July 2017. Please contact Computershare by email at ofspaymentqueries@computershare.co.uk for full bank details or telephone the Shareholder Helpline (+44(0)3707071390) for further information. Computershare will then provide you with a unique reference number which must be used when sending payment. Please enter below the sort code of the bank and branch you will be instructing to make such payment for value by than 5.00 p.m. (London time) on 12 July 2017 together with the name and number of the account to be debited with such payment and the branch contact details.

| | |
|------------|---------------|
| Sort Code: | Account Name: |
|------------|---------------|

| | |
|-----------------|--|
| Account Number: | Contact name at branch and telephone number: |
|-----------------|--|

(c) CREST SETTLEMENT

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

Trade Date: 14 July 2017

Settlement Date: 19 July 2017

Company: Gabelli Merger Plus⁺ Trust plc

Security Description: Shares

SEDOL: BD8P074

ISIN: GB00BD8P0741

TICKER: London Stock Exchange: GMP

Should you wish to settle DVP, you will need to match your instructions to Computershare Investor Services PLC's Participant account (8RA20) by no later than 1.00pm on 18 July 2017.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

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 2C 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 or US Dollar 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.

| Holders | | | | Payor |
|---------|--|--|--|-------|
| | | | | |

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

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| | 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. | |
| 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 | |
| (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 directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company. | |
| C. | For each 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). | |
| 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 | |

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| (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 | |
| 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) | |

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.

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

EXHIBIT 1

PAYMENT INSTRUCTIONS FOR RELEVANT DISTRIBUTOR

Required for all Purchasers that completed Box 2 Section 1 “Commissions”

ELECTION FORM
FOR THE REGISTRATION OF ORDINARY SHARES OF US\$0.01 EACH IN THE SHARE CAPITAL OF GABELLI
MERGER PLUS⁺ TRUST PLC
(THE COMPANY)
IN THE LOYALTY REGISTER

To: **Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ**
as Agent for the Company

Telephone Number +44 (0) 370 707 1390
E-mail to "web.queries@computershare.co.uk."

Disclaimer

This **Election Form** shall be completed and signed in accordance with the instructions contained herein.

This Election Form should be read in conjunction with the Company's articles of association (as amended and restated from time to time) (the Articles), which are available on the corporate website of the Company (www.gabelli.com/mergerplus).

By submitting this Election Form duly completed and signed to the Agent above, you are hereby electing to be entered into the Loyalty Register in respect of the Ordinary Shares set out in box [2] below and are agreeing to comply with the provisions of the Articles in respect of such entry.

1. Data of Electing Shareholder who requests registration of their Ordinary Shares in the Loyalty Register

Full Name or Nominee name

CREST Participant ID (if applicable)

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CREST Member ID (if applicable)

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Date of birth .../.../.....

Address.....

Tel. E-mail (the **Electing Shareholder**)

(If applying on behalf of a Beneficial Owner, please provide the following information in relation to the Beneficial Owner, either in the space provided below or in an attached schedule. For these purposes, the Beneficial Owner shall be the person for whose ultimate benefit the Ordinary Shares set out in box [2] below are held (directly or indirectly) by the Electing Shareholder; provided that if the Electing Shareholder is requesting the registration of Ordinary Shares held for multiple Beneficial Owners, the aggregate number of Ordinary Shares to be registered in the Loyalty Register should be set out in box [2] below and the number of such Ordinary Shares to be registered as being held for each of the Beneficial Owners should be set out in an attached schedule)

Full Name.....

Address.....

Date of birth .../.../.....

Tel. E-mail

2. Number of Ordinary Shares in relation to which entry into the Loyalty Register is requested

| | |
|---------------------------|--|
| Number of Ordinary Shares | |
|---------------------------|--|

3. Declaration and Power of Attorney

The **Electing Shareholder**, through the transmission of this Election Form, duly completed, irrevocably and unconditionally:

a) agrees to be bound by the Articles; and

b) acknowledges, accepts and agrees to the rights and obligations arising in connection with such entry, as set out in the Articles, noting in particular, that the Electing Shareholder may be removed from the Loyalty Register in respect of the Ordinary Shares set out in box [2] above in the circumstances set out in the Articles.

4. Governing law and disputes

This Election Form is governed by and construed in accordance with the laws of the England and Wales. Any dispute in connection with this Election Form will be brought before the courts of England and Wales.

The Electing Shareholder

If an individual:

.....
(Signature)

Name:

Date:

If a body corporate:

.....
(Signature of director/authorized signatory)

Name:

Date: