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

A copy of this document, which constitutes a prospectus relating to Toro Limited (the ''**Company**'') in connection with the issue of Shares, prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the ''**FCA**'') made under Section 84 of FSMA, has been filed with the FCA 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 Company to the official list of the Channel Islands Stock Exchange Authority Limited (the ''**CISEA**'').

Application will be made to the London Stock Exchange for all of the Roll-over Shares and Issue Shares, issued and to be issued, to be admitted to trading on the Specialist Fund Market of the London Stock Exchange and to listing and trading on the official list of the CISEA (''**First Admission**''). It is expected that First Admission will become effective and that dealings in the Roll-over Shares and Issue Shares will commence on 8 May 2015. It is expected that Admission will become effective and that dealings in any Shares and/or C Shares issued pursuant to the Placing Programme will commence on a number of dates during the period from First Admission to 27 April 2016.

The Company is a registered closed-ended collective investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective Investment Scheme Rules 2015 issued by the Guernsey Financial Services Commission (the ''**Commission**''). The Commission, in granting registration, has not reviewed this document but has relied upon specific warranties provided by the Administrator, the Company's designated administrator. Neither the Commission nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company, or for the correctness of any of the statements made or opinions expressed with regard to it.

This document includes particulars given in compliance with the listing rules of the CISEA for the purpose of giving information with regard to the Company. The Company and each of the Directors, whose names appear on page 56 of this prospectus, accept responsibility for the information contained in this prospectus. To the best of the knowledge and belief of the Company and the Directors (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.

The attention of prospective investors is drawn, in particular, to the Risk Factors set out on pages 18 to 45 of this prospectus.

TORO LIMITED

(a closed-ended investment company limited by shares incorporated under the laws of Guernsey with registered number 59940)

Placing of Sterling Shares at an Issue Price of £1.00 per Sterling Share and Placing of Euro Shares at an Issue Price of €1.00 per Euro Share
and
U.S. Subscription
and
Proposed issue of Euro Shares and Sterling Shares in connection with the proposals for the voluntary liquidation of Toro Capital I
and
Placing Programme
and
Admission to the Specialist Fund Market of the London Stock Exchange and to the official list of the CISEA

Portfolio Manager

Chenavari Credit Partners LLP

Sole Bookrunner and Financial Adviser

Dexion Capital plc

Dexion Capital plc (''**Dexion**''), which is authorised and regulated by the FCA, is acting for the Company and for no-one else in connection with the matters described herein and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the contents of this prospectus or any transactions or arrangements referred to herein including, but not limited to, the applications for Admission, the Issue, the Liquidation Scheme (and the issue of the Roll-over Shares) and the Placing Programme.

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

Neither the admission of the Shares to the official list of the CISEA nor the approval of this document pursuant to the listing requirements of the CISEA shall constitute a warranty or representation by the CISEA 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.

The CISEA has been recognised by the HMRC under Section 841 of the Income and Corporation Tax Act 1988.

This prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the AIFM, the Portfolio Manager or Dexion. The offer and sale of Shares have not been and will not be registered under the applicable securities laws of the United States, Australia, Canada, South Africa or Japan. Subject to certain exceptions, the Shares may not be offered or sold within the United States, Australia, Canada, South Africa or Japan or to any national, resident or citizen of the United States, Australia, Canada, South Africa or Japan. This Prospectus may not be forwarded to the United States or to any U.S. person.

Neither the U.S. Securities and Exchange Commission (the ''**SEC**'') nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offence in the United States.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the ''**U.S. Securities Act**'') or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the ''**U.S. Investment Company Act**'') as an investment company and investors will not be entitled to the benefits of registration.

PURSUANT TO AN EXEMPTION FROM THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH POOLS WHOSE PARTICIPANTS ARE LIMITED TO QUALIFIED ELIGIBLE PERSONS, AN OFFERING MEMORANDUM FOR THIS POOL IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THIS POOL.

Dated: 28 April 2015.

COMMODITY FUTURES TRADING COMMISSION

RISK DISCLOSURE STATEMENT

YOU SHOULD CAREFULLY CONSIDER WHETHER YOUR FINANCIAL CONDITION PERMITS YOU TO PARTICIPATE IN A COMMODITY POOL. IN SO DOING, YOU SHOULD BE AWARE THAT FUTURES AND OPTIONS TRADING CAN QUICKLY LEAD TO LARGE LOSSES AS WELL AS GAINS. SUCH TRADING LOSSES CAN SHARPLY REDUCE THE NET ASSET VALUE OF THE POOL AND CONSEQUENTLY THE VALUE OF YOUR INTEREST IN THE POOL. IN ADDITION, RESTRICTIONS ON WITHDRAWALS MAY AFFECT YOUR ABILITY TO WITHDRAW YOUR PARTICIPATION IN THE POOL.

FURTHER, COMMODITY POOLS MAY BE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT, AND ADVISORY AND BROKERAGE FEES. IT MAY BE NECESSARY FOR THOSE POOLS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER FACTORS NECESSARY TO EVALUATE YOUR PARTICIPATION IN THIS COMMODITY POOL. THEREFORE, BEFORE YOU DECIDE TO PARTICIPATE IN THIS COMMODITY POOL, YOU SHOULD CAREFULLY STUDY THIS DISCLOSURE DOCUMENT, INCLUDING A DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, BEGINNING AT PAGE 18.

YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY POOL MAY TRADE FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET, MAY BE SUBJECT TO REGULATIONS WHICH OFFER DIFFERENT OR DIMINISHED PROTECTION TO THE POOL AND ITS PARTICIPANTS. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE TRANSACTIONS FOR THE POOL MAY BE EFFECTED.

CONTENTS

SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A-E (A.1-E.7).

This summary contains all the Elements required to be included in a summary for this type of 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 into 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'.

Section A – Introduction and warnings		
A.1	Warning	This summary should be read as an introduction to this prospectus. Any decision to invest in the securities 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 a member state 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 such securities.
A.2	Use of prospectus by financial intermediaries	Not applicable. No consent has been given by the Company or any person responsible for drawing up this prospectus to the use of this prospectus for subsequent resale or final placement of securities by financial intermediaries.

Section B – Issuer and any guarantor		
B.1	Legal and Commercial Name	The issuer's legal and commercial name is Toro Limited (the "**Company**").
B.2	Domicile/Legal Form/ Legislation/ Country of Incorporation	The Company was incorporated in Guernsey as a company limited by shares under the Companies Law on 2 March 2015 with registered number 59940, to be a Registered Closed-ended Collective Investment Scheme. The principal legislation under which the Company operates is the Companies Law.
B.5	Group structure	Not applicable. The Company does not currently have any subsidiaries and is not part of a group.

B.6	Notifiable interests	As at the date of this prospectus in so far as known to the Company, there are no parties known to have a notifiable interest under English law in the Company's capital or voting rights. All Shareholders of the same Class have the same voting rights in respect of the share capital of the Company. Pending the allotment of the Roll-over Shares and the Issue Shares and before the commencement of its business, the Company is controlled by Chenavari Financial Group Limited (the single issued subscriber share being held on trust for it by Morgan Sharpe Nominees Limited). The Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
B.7	Historical financial information	Not applicable. The Company is newly incorporated and therefore there is no historical financial information included in this prospectus.
B.8	*Pro forma* financial information	Not applicable. No *pro forma* financial information is contained in the prospectus.
B.9	Profit forecast	Not applicable. No profit estimates or forecasts for the Company have been made.
B.10	Qualifications in the audit report	Not applicable. There is no historical financial information included in this prospectus and therefore there are no audit reports included in this prospectus.
B.11	Working capital	The Company is of the opinion that, on the basis that the Minimum Net Proceeds are raised, the working capital available to it is sufficient for its present requirements, that is for at least the next 12 months from the date of this prospectus.
B.34	Investment policy	***Investment objective*** The investment objective of the Company is to deliver an absolute return from, investing and trading in Asset Backed Securities and other structured credit investments in liquid markets and, investing directly or indirectly in asset backed transactions including, without limitation, through the origination of credit portfolios. ***Investment policy*** The Company will seek to invest in a diversified portfolio of exposures to predominantly European based obligors. The Company's investment strategies will be: *The Opportunistic Credit Strategy* – the Company will opportunistically invest or trade in primary and secondary market Asset Backed Securities and other structured credit investments including private asset backed finance investments. *The Originated Transactions Strategy* – the Company will invest in transactions on a buy-to-hold basis, via a variety of means, including, without limitation, Warehouse Credit Facilities, which can originate credits that may be refinanced in structured credit markets as well as other financing opportunities. *Originated transactions* The Company intends to invest in Originators which establish securitisation vehicles and retain the requisite Retention Securities in such vehicles pursuant to the EU Risk Retention Requirements and/or, in future, the U.S. Risk Retention Regulations. In exchange for its capital

		and participation facilitating retention compliant origination transactions, the Company expects to receive enhanced returns relative to direct investment in structured credit investments (such as CLOs). Such returns may take the form of additional returns from fees, fee rebates or other financial accommodations agreed by parties who may benefit from the Company's involvement depending upon the asset class of a securitisation vehicle. *Eligible investments* Each investment shall, as of the date of acquisition by the Company, be either a debt obligation (including, but not limited to, a bond or loan), a share or equity security, a hybrid instrument, derivative instrument or contract or an equitable or other interest. In addition, the Company may from time to time have surplus cash (for example, following the disposal of an acquired investment). Cash held by the Company pending investment or distribution will be held in either cash or cash equivalents, including but not limited to money market instruments or funds, bonds, commercial paper or other debt obligations with banks or other counterparties provided such bank or counterparty has an investment grade credit rating (as determined by any reputable rating agency selected by the Company on the advice of the Portfolio Manager). ***Investment restrictions*** *Concentration Limits* The Company shall comply with the concentration limits set out below, which shall, in relation to each new investment, be tested at the point such new investment is made assessed in accordance with the exposure limit policy. Where investments are issued by entities with a compartmentalised or cellular legal structure, each compartment or cell shall be considered to be a separate issuer/counterparty provided that the principle of segregation and insolvency remoteness of commitments of the different compartments/ cells of such issuer is materially established by law, contract and/or trust. None of the restrictions set out below shall apply to investments issued or guaranteed by the government of an OECD Member State. In relation to investments made: ● no more than 20 per cent. of Net Asset Value shall be exposed to the credit risk of any underlying single transaction or issue; ● the top five exposures to any transactions or issues shall not, in aggregate, account for more than 50 per cent. of Net Asset Value; ● no more than 50 per cent. of Net Asset Value, in aggregate, shall be invested in unlisted investments, and in each case, the restrictions set out above shall not apply to the Company's investment in Originators but shall be applied on a look-through basis to the investments of such Originators; and ● no more than 20 per cent. of Net Asset Value, in aggregate, shall be exposed to transactions or issues where the underlying collateral is non-European. For the purposes of interpreting the above provision, Europe shall include Switzerland, the member states of the EU and EEA and the European Common Customs Territory (from time to time) and, for the avoidance of doubt, shall continue to include any members, who being or subsequently joining as members of such groupings, subsequently cease to be members.

		Hedging and derivatives The Company may implement hedging and derivative strategies designed to protect investment performance against material movements in exchange rates and interest rates and to protect against credit risk. Such strategies may include (but are not limited to) options, forwards and futures and interest rate or credit default swaps and will only be entered into when they are available in a timely manner and on terms acceptable to the Company. The Company may also bear risks that could otherwise be hedged where it is considered appropriate to the investment objective and investment policy. The Company may also use hedging or derivatives (both long and short) for investment purposes, for efficient portfolio management, financing or protection of individual or aggregate positions. In addition, as the Company's base operating currency is Euros, the Company proposes to engage in currency hedging in an attempt to reduce the impact on the Sterling Shares (if any) of currency fluctuations.
B.35	Borrowing limits	The Company may use borrowings from time to time for the purpose of short term bridging, financing Share buy backs, repurchase agreements with market counterparties or managing working capital requirements, including hedging facilities. Cash borrowings can contribute alongside other forms of leverage to increase the level of gearing of the Company. The Company may also use gearing to increase potential returns to Shareholders. In the past, the Portfolio Manager has employed leverage against senior tranches of ABS to enhance their returns, and expects it will continue to do so, where the economic terms offered by counterparties can increase potential returns to Shareholders. The Company has set a borrowing limit such that the Company's gearing shall not exceed 130 per cent. at the time of incurrence and deployment of any borrowing. For the purposes of this calculation, gearing will be calculated as the sum of the Company's exposures to each position directly held, divided by the last published Net Asset Value (and for the avoidance of doubt, will include the full exposure held by the Company under any full recourse total return swap, but will exclude any borrowing arrangements that are limited-recourse to the Company, such as borrowings by an Originator). Borrowings employed by the Company may be secured on individual assets or portfolios without recourse to the Company or by a charge over some or all of the Company's assets to take advantage of potentially preferential terms. The Board will oversee the gearing levels in the Company, and will review the position with the AIFM and the Portfolio Manager on a regular basis. It is anticipated that the gearing level of any Originators will differ from the above restrictions. Any leverage of an Originator shall be non-recourse to the Company. In particular, such an Originator may enter into Warehouse Credit Facilities to acquire exposure to assets. Where a Warehouse Credit Facility takes the form of a loan facility, an Originator will borrow funds to acquire assets in anticipation of the creation of a securitisation vehicle to securitise such assets, such facilities generally being non-recourse to the assets of such Originator (other than assets acquired with such funding) and repaid following the transfer of such assets to a securitisation vehicle. Originators will be required to give representations, warranties and indemnities to financing providers including confirmations relating to compliance with risk retention requirements.

B.36	Regulatory status	The Company is a closed-ended investment company registered with the Commission under the Registered Collective Investment Scheme Rules 2015 (the "**RCIS Rules**"). Registered Collective Investment Schemes are supervised by the Commission insofar as they are required to comply with the requirements of the RCIS Rules, including requirements to notify the Commission of certain events and the disclosure requirements of the Commission's Prospectus Rules 2008. The Company is not regulated or authorised by the FCA. From First Admission, it will be subject to the Prospectus Rules and the Disclosure and Transparency Rules and will voluntarily comply with certain of the Listing Rules.
B.37	Typical investor	An investment in the Shares is only suitable for institutional investors and professionally advised private investors who understand and are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment.
B.38	Investment of 20 per cent. or more in single underlying asset or collective investment undertaking	Not applicable. The Company will have no such investments on First Admission.
B.39	Investment of 40 per cent. or more in single underlying asset or collective investment undertaking	Not applicable. The Company will have no such investments on First Admission.
B.40	Service providers	***The AIFM*** The Company has appointed Carne Global AIFM Solutions (C.I.) Limited as the Company's external AIFM. The AIFM has delegated portfolio management to the Portfolio Manager. Under the terms of the AIFM Agreement, the AIFM is entitled to receive from the Company an annual fee, payable out of the assets of the Company, of £66,000 (and shall equate to a monthly fee of £5,500). ***Portfolio Manager*** The AIFM and the Company have appointed the Portfolio Manager, Chenavari Credit Partners LLP, a member of the Chenavari Financial Group, as the external Portfolio Manager with delegated responsibility for portfolio management functions in accordance with the Company's investment objectives and policy, subject to the overall supervision and control of the Directors and the AIFM. *Portfolio management fee* Under the terms of the Portfolio Management Agreement the Portfolio Manager is entitled to receive from the Company a portfolio management fee calculated and accrued monthly at a rate equivalent to one-twelfth of 1 per cent. of the Net Asset Value per Share Class (before deducting the amount of that month's portfolio management fee and any accrued liability with respect to any performance fee). *Performance fee* The Portfolio Manager shall also be entitled to receive a performance fee in respect of each Class of Shares equal to 15 per cent. of the total increase in the Net Asset Value per Share of the relevant Class at the end of the relevant Performance Period (as adjusted to, (i) add back the

		aggregate value of any dividends per Share paid to Shareholders since the end of the Performance Period in respect of which a performance fee was last paid in respect of that Class (or the date of First Admission, if no performance fee has been paid in respect of that Class) and, (ii) exclude any accrual for unpaid performance fees) over the highest previously recorded Net Asset Value per Share of the relevant Class as at the end of the relevant Performance Period in respect of which a performance fee was last paid (or the Net Asset Value per Share of the relevant class as at First Admission (after deduction of launch costs), if no performance fee has been paid in respect of that Class of Shares) multiplied by the number of issued and outstanding Shares of that Class at the end of the relevant Performance Period, having made adjustments for numbers of Shares of that Class issued or repurchased during the relevant Performance Period. Subject to any regulatory limitations, the Portfolio Manager has agreed that for a given Performance Period any performance fee shall be satisfied as to a maximum of 60 per cent. in cash and as to a minimum (save as set out below) of 40 per cent. by the issuance of new Euro Shares (including the reissue of treasury shares) issued at the latest published Net Asset Value per Share. At no time shall the Portfolio Manager (and/or any persons deemed to be acting in concert with it for the purposes of the Takeover Code) be obliged, in the absence of a relevant Whitewash Resolution having been passed, to receive further Shares where to do so would trigger a requirement to make a mandatory offer pursuant to Rule 9 of the Takeover Code. Where any restriction exists on the issuance of further Shares to the Portfolio Manager, the relevant amount of the Performance Fee may be paid in cash. ***Administrator, Company Secretary and CISEA Sponsor*** Morgan Sharpe Administration Limited has been appointed by the Company to provide day to day administration services to the Company and to provide company secretarial functions required under the Companies Law. Under the terms of the Administration Agreement, the Administrator is entitled to receive an annual asset-based fee calculated at a rate of 0.017 per cent. per annum of Net Asset Value. In addition, the Administrator, in its capacity as the CISEA Sponsor to the Company under the terms of the CISEA Sponsorship Agreement will be entitled to a one-off listing fee of £7,000 which is due on First Admission and, for acting as sponsor on an ongoing basis, an annual fee of £6,000 ***Sub-Administrator*** Quintillion Limited has been appointed by the Company and the Administrator under an agreement between the Company, the Administrator and Quintillion Limited, pursuant to which the Sub-Administrator has agreed, subject to First Admission, to provide administration services to the Company and the Administrator, including the calculation of NAV and NAV per Share. Under the terms of the Sub-Administration Agreement, the Sub-Administrator is entitled to receive an annual asset-based fee from the Company based on the aggregate funds under management of the Chenavari Financial Group which the Sub-Administrator provides administration services to. The Sub-Administrator is expected to be entitled to receive from the Company a fee of 0.073 per cent. per annum of Net Asset Value. ***Registrar*** Capita Registrars (Guernsey) Limited has been appointed registrar of the Company. Under the terms of the Registrar Agreement, the Registrar is entitled to receive certain annual maintenance and activity fees, subject to a minimum fee of £6,000 per annum.

		Custodian JPMorgan Chase Bank, National Association, Jersey Branch has been appointed custodian of the Company. Under the terms of the Custody Agreement, the Custodian is entitled to a safekeeping and administration fee on each transaction calculated using a basis point fee charge based on the country of settlement and the value of the assets together with various other payment/wire charges on outgoing payments, subject to an aggregate minimum fee of £31,500 per annum. ***Auditor*** Deloitte LLP has been appointed auditor of the Company. The Auditor will be entitled to an annual fee from the Company, which fee will be agreed with the Board each year in advance of the Auditor commencing audit work.
B.41	Regulatory status of investment manager and custodian	***The AIFM*** The AIFM, Carne Global AIFM Solutions (C.I.) Limited, is a private company incorporated in Jersey with company registration number 116252 on 21 July 2014 and operates under the Companies Law (Jersey) 1991. The AIFM is licensed by the Jersey Financial Services Commission in the conduct of fund services business and AIF services business. ***Portfolio Manager*** The Portfolio Manager, Chenavari Credit Partners LLP, is a limited liability partnership incorporated in England and Wales under registered number OC337434 and is regulated and authorised in the UK by the FCA under registration number 484392 and by the SEC under registration number 801/72662.The Portfolio Manager is a wholly owned member of the Chenavari Financial Group. ***Custodian*** The Custodian, JPMorgan Chase Bank National Association, Jersey Branch is the Jersey branch of JPMorgan Chase Bank which is a national banking association formed under the laws of the United States and is regulated in Jersey by the Jersey Financial Services Commission.
B.42	Calculation of Net Asset Value	It is intended that the Net Asset Value will be calculated as of the last Business Day of each month (or at any other times at the Board's discretion) by the Sub-Administrator, based on third party valuations (where available) and in consultation with the AIFM and the Portfolio Manager. The Net Asset Value will be published in Euros and the Net Asset Value per Share of the Euro Shares and Sterling Shares (if any) will be published in Euros and Sterling respectively by a Regulatory Information Service announcement and on the website of the Company at www.torolimited.gg and will be notified and released via the CISEA within 15 Business Days following the relevant month-end or if later as soon as is practicable after calculation.
B.43	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.
B.44	No financial statements have been made up	The Company is newly incorporated and no financial statements have been made up.
B.45	Portfolio	Not applicable. The Company is newly incorporated and does not currently hold any assets.

B.46	Net Asset Value	Not applicable. The Company has not commenced operations and so has no Net Asset Value as at the date of this prospectus.

	Section C – Securities	
C.1	Type and class of securities being offered	The Company intends to issue Euro Shares of no par value each at an Issue Price of €1.00 per Euro Share and Sterling Shares of no par value each at an Issue Price of £1.00 per Sterling Share pursuant to the Initial Placing. Shares will also be issued pursuant to the U.S. Subscription at the U.S. Subscription Price. The Company is also proposing to issue Euro Shares or Sterling Shares under the Placing Programme. The base operational currency of the Company will be Euros and the assets attributable to each Class will be managed and accounted for as a single pool. The ISIN of the Euro Shares is GG00BWBSDM98, the SEDOL code for the Euro Shares is BWBSDM9 and the ticker for the Company's Euro Shares is ''TORO''. The ISIN of the Sterling Shares is GG00BWBSDH46, the SEDOL code for the Sterling Shares is BWBSDH4 and the ticker for the Company's Sterling Shares is ''TORG''.
C.2	Currency of the securities issue	The Euro Shares are denominated in Euros and the Sterling Shares are denominated in Pounds Sterling.
C.3	Number of shares issued	As at the close of business on 27 April 2015 (the latest practicable date prior to publication of this prospectus), the Company has one fully paid Share of no par value in issue. The Company has no partly paid Shares in issue.
C.4	Description of the rights attaching to the securities	**Voting Rights** The holders of the Shares shall be entitled to receive notice of and to attend, speak and vote at general meetings of the Company. **Return of Capital** On a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of Shares in accordance with the provisions of the Articles and the Companies Law), the surplus assets of the Company attributable to the shares remaining after payment of all creditors shall, subject to the rights of any Shares that may be issued with special rights or privileges, be divided amongst the holders of Shares of each class *pro rata* to the relative net asset values of each of the classes of the Shares and, within each such class, such assets shall be divided *pari passu* amongst the holders of Shares of that class in proportion to the number of Shares of that class held by them. **Income** Subject to compliance with the Companies Law and to satisfaction of the solvency test set out therein and to the rights of any shares which may be issued with special rights or privileges, the Shares of each class carry the right to receive all income of the Company attributable to the Shares, and to participate in any distribution of such income by the Company, *pro rata* to the relative net asset values of each of the classes of Shares and, within each such class, income shall be divided *pari passu* amongst the holders of Shares of that class in proportion to the number of Shares of such class held by them. **Pre-emption rights** There are no provisions of Guernsey law or the Articles which confer rights of pre-emption in respect of the allotment of the Shares.

C.5	Restrictions on the free transferability of the securities	The Shares may only be offered, sold, transferred, assigned or otherwise disposed of in compliance with an exemption from the registration requirements of the U.S. Securities Act and under circumstances which (a) will not require the Company to register under the U.S. Investment Company Act; and (b) will not result in the assets of the company constituting ''plan assets'' within the meaning of the Employee Retirement Income Security Act of 1974, as amended (''**ERISA**''), that are subject to Title I of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended (the ''**U.S. Code**''). Certificated shares will bear a legend to the above effect, and transferees of certificated Shares may be required to produce such certifications as the Company requires to ensure compliance with the above. Any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to compulsory and automatic transfer provisions as provided in the Articles whereby the transferee may be required to transfer its Shares or, in the event that a transfer of Shares may result in the assets of the Company constituting ''plan assets'' under ERISA, such Shares may automatically be transferred into a charitable trust upon which transfer the transferor would lose its rights to the Shares in favour of a right to certain consideration. Subject to the Articles (and the restrictions on transfer contained therein), a Shareholder may transfer all or any of his uncertificated Shares in any manner which is permitted by the Companies Law or in any other manner which is from time to time approved by the Board.
C.6	Admission	Applications will be made to the London Stock Exchange for all of the Roll-over Shares and Issue Shares, issued and to be issued, to be admitted to trading on the Specialist Fund Market of the London Stock Exchange and to listing and trading on the official list of the CISEA. It is expected that First Admission will become effective and that dealings in the Shares, fully paid, will commence at 8.00am on 8 May 2015. Applications will be made to the London Stock Exchange for all of the Shares being offered pursuant to the Placing Programme to be admitted to trading on the Specialist Fund Market and to listing and trading on the official list of the CISEA. It is expected that Subsequent Admission(s) will become effective and that dealings for normal settlement in the Shares issued pursuant to the Placing Programme will commence on a number of dates during the period from First Admission to 27 April 2016. All Shares issued pursuant to the Placing Programme will be allotted conditionally on such Subsequent Admission(s) occurring.
C.7	Dividend policy	On the basis of market conditions as at the date of this prospectus, and whilst not forming part of its investment objective or investment policy, the Company will target (i) a NAV total return (including dividend payments) of 12 to 15 per cent. per annum over three to five years once the Company is fully invested and (ii) a dividend of 5 per cent. per annum payable quarterly in March, June, September and December of each year. The Company will target a first dividend payment in respect of the period from First Admission to 30 September 2015 of at least 1.2 per cent. of the Issue Price per Share. The point at which full investment is reached shall take into consideration cash amounts required for working capital purposes (including in particular a cash reserve for meeting any required margin calls on derivative positions), or for the payment of dividends in accordance with the Company's dividend policy and for settling transactions contractually agreed. *Investors should note that the figures in relation to target dividends and NAV total return set out above are for illustrative purposes only and are*

		not intended to be, and should not be taken as, a profit forecast or estimate.
		Section D – Risks
D.2	Key information on the key risks that are specific to the issuer	***The Company is a newly formed company with no separate operating history*** The Company is a newly formed company incorporated in Guernsey on 2 March 2015. As the Company lacks an operating history, investors have no basis on which to evaluate the Company's ability to achieve its investment objective and provide a satisfactory investment return. ***The Company's targeted returns are based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies, and the actual rate of return may be materially lower than the targeted returns or negative*** The Company's targeted returns set out in this prospectus are targets only and are based on estimates and assumptions about a variety of factors. The Company may not be able to implement its investment objective and investment policy in a manner that generates returns in line with the targets. Furthermore, the targeted returns are based on the market conditions and the economic environment at the time of assessing the targeted returns, and are therefore subject to change. There is no guarantee that actual (or any) returns can be achieved at or near the levels set out in this prospectus. ***The past performance of Toro Capital I and other investments managed or advised by the Portfolio Manager cannot be relied upon as an indicator of the future performance of the Company*** The past performance of Toro Capital I and other investments managed or advised by the Portfolio Manager or any of its Affiliates or any of the Portfolio Manager's investment professionals cannot be relied upon as an indicator of the future performance of the Company. Investor returns will be dependent upon the Company successfully pursuing its investment objective and 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 objective and investment policy. This, in turn, will depend on the ability of the Portfolio Manager to apply its investment analysis processes in a way which is capable of identifying suitable investments for the Company to invest in. ***Hedging arrangements may not be successful or available at an acceptable price*** Hedging arrangements may be costly and may reduce the Company's earnings. Furthermore, they may result in counterparty risk and losses in the event of the default or bankruptcy of a counterparty. Additionally, appropriate hedges might not be available at all, or at a cost which is acceptable to the Company or economically viable. ***Asset Backed Securities and other structured credit investments are exposed to adverse changes in market conditions*** Each Asset Backed Security or other structured credit investment in which the Company will invest is typically backed by a pool of assets representing the obligations of a number of different borrowers or debtors. The value of Asset Backed Securities or other structured credit investment can be affected by a number of factors, including: (i) changes in the market's perception of the underlying assets backing the security; (ii) economic and political factors such as interest rates and levels of unemployment and taxation which can have an impact on the arrears, foreclosures and losses incurred with respect to the pool of assets

		backing the security; (iii) changes in the market's perception of the adequacy of credit support built into the security's structure to protect against losses caused by arrears and foreclosures; (iv) changes in the perceived creditworthiness of the originator of the security or any other third parties to the transaction; (v) the speed at which mortgages or loans within the pool are repaid by the underlying borrowers (whether voluntarily or due to arrears or foreclosures). ***The illiquidity of Originated Credit Investments may have an adverse impact on their price and an Originator's ability to trade in them or require significant time for capital gains to materialise*** Credit markets may from time to time become less liquid, leading to valuation losses on Originated Credit Investments making it difficult to acquire or dispose of them at prices an Originator considers to be their fair value. Accordingly, this may impair an Originator's ability to respond to market movements and such Originator may experience adverse price movements upon liquidation of such investments. Liquidation instruments of portions of the portfolio under these circumstances could produce realised losses. ***The Originated Transactions Strategy will create material exposure to Originated Credit Investments which are subject to a risk of loss of principal*** The investment strategy of an Originator will create material exposure to Originated Credit Investments. In the case of deterioration of general economic conditions affecting the underlying obligors and/or asset pool, the risk of loss of principal will increase unless it can be hedged (save that the hedging of Retention Securities may be prohibited). The availability and price of any hedging is not guaranteed. ***The use of leverage by an Originator may increase the volatility of returns and providers of leverage would rank ahead of investors in an Originator in the event of insolvency*** An Originator may employ leverage as deemed appropriate in order to access appropriate investment opportunities. While leverage can present opportunities for increasing total returns, it can also have the effect of increasing the volatility of the performance of an Originator, an Originator's assets and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares, including the risk of total loss of the amount invested. If income and capital appreciation on investments made with borrowed funds are less than the costs of the leverage, an Originator's net asset value will decrease. ***The return to an Originator may be adversely impacted by the insolvency regime or insolvency regimes which may apply to its direct or indirect investments or exposures*** In the event of the insolvency of an obligor whose credit is supporting an Originator's investment, recovery of amounts outstanding in insolvency proceedings may be impacted by the insolvency regime in force in the jurisdiction of such obligor, and in the case of corporate obligors, in the jurisdiction in which such obligor mainly conducts its business (if different from the jurisdiction of incorporation), and/or in the jurisdiction in which the assets of any obligor are located. Such insolvency regimes may impose rules for the protection of debtors and may adversely affect the ability to recover such amounts as are outstanding from the insolvent obligor under the investment. ***An Originator will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the Retention Securities until such time as the securities of the relevant***

		Originated Credit Investments have been redeemed in full (whether at final maturity or early redemption) under EU Risk Retention Requirements and/or no sooner than the redemption or repayment of the notes or assets to specified levels, which places limitations on the Company's ability to redeem the Profit Participating Instruments it may hold in an Originator ***CLO Equity Tranche Securities may be volatile and interest and principal payments payable on the CLO Equity Tranche Securities are not fixed*** CLO Equity Tranche Securities are the most subordinated tranche of a CLO and all payments of principal and interest on such CLO Equity Tranche Securities are fully subordinated. Interest and principal payments are not fixed but are based on residual amounts available to make such payments. As a result, payments on such CLO Equity Tranche Securities will be made by the securitisation vehicle in which an Originator holds Retention Securities to the extent of available funds, and no payments thereon will be made until amongst other things (a) payments of certain costs, fees and expenses have been made and (b) interest and principal then due has been paid on the more senior notes of the CLO. Non-payment of interest or principal on such CLO Equity Tranche Securities will be unlikely to cause an event of default in relation to the securitisation vehicle in which an Originator holds Retention Securities until all senior notes have been repaid.
D.3	Key information on the risks specific to the securities	***The Shares may trade at a discount to NAV per Share and Shareholders may be unable to realise their investments through the secondary market at NAV per Share*** The Shares may trade at a discount to the applicable NAV per Share for the relevant Class for a variety of reasons, including adverse market conditions and a deterioration in investors' perceptions of the merits of the Company's investment objective and investment policy. While the Directors may seek to mitigate any discount to NAV per Share through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such mechanisms will be successful. ***The Shares have never been publicly traded on the London Stock Exchange or the CISEA and an active and liquid trading market for the Shares may not develop.*** Application will be made to the London Stock Exchange for all of the Shares to be admitted to trading on the Specialist Fund Market of the London Stock Exchange and to listing and trading on the official list of the CISEA. The Specialist Fund Market is a relatively new market and likely liquidity and price volatility levels are relatively unknown. Liquidity experienced on the Specialist Fund Market to date may not be a suitable indicator for liquidity levels in the future. The Company is not required to appoint a market maker or make a market for Shares traded on the Specialist Fund Market. There can be no guarantee that a liquid market in the Shares will develop or be maintained or that the Shares will trade at prices close to their applicable underlying NAV per Share. Accordingly, Shareholders may be unable to realise their investment at the applicable NAV per Share or at all. ***The NAV may be based on estimates which may be inaccurate*** A portion of the Company's investments are likely to be in the form of instruments for which market quotations are not readily available, and third-party pricing information may not be available for certain investments held in the portfolio. Even if market quotations are

		available for certain of the instruments, such quotations may not reflect the value that could actually be realised because of various factors, including the illiquidity of the instruments held in the portfolio, future price volatility or the potential for a future loss in value based on poor industry conditions or overall company and management performance. There can therefore be no guarantee that the investments could ultimately be realised at the Company's valuation of such investments. Furthermore, the Company's profitability, the NAV and value of the Shares could be adversely affected if the values of investments that the Company records are materially higher than the values attributed to such investments from time to time. This may result in volatility in the NAV and operating results that the Company reports from period to period. ***Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time*** The Company has been established as a Registered Closed-ended Collective Investment Scheme. Accordingly, Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. ***The market price of the Shares may rise or fall rapidly*** The value of an investment in the Company, and the income derived from it, if any, may go down as well as up and an investor may not get back the amount invested.

Section E – Offer		
E.1	Net proceeds and costs of the Issue and the Placing Programme	The target size of the Issue is such that, taking into account the value of the Seed Assets to be contributed to the Company pursuant to the terms of the Liquidation Scheme, the Net Proceeds are in excess of €300 million. The number of Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds and the Net Issue Proceeds, is not known as at the date of this prospectus but will be notified by the Company via an RIS announcement prior to First Admission. The formation and initial expenses of the Company are those which are necessary for the incorporation of the Company, First Admission and the Issue. These expenses include fees and commissions due to Dexion under the Placing Agreement, admission fees, printing, legal and accounting fees and any other applicable expenses which will be met by the Company and paid on or around First Admission out of the Net Proceeds. The expenses will be written off in the Company's first accounting period. Such costs and expenses are expected to be up to 2.00 per cent. of the Net Proceeds. The expenses of the Placing Programme will depend on subscriptions received but it is expected that these costs will be covered by issuing Shares at a premium to the prevailing cum-income Net Asset Value per Share for each Class.
E.2a	Reason for offer and use of proceeds	This prospectus comprises a prospectus of the Company prepared in accordance with the Prospectus Rules in connection with the offer of Shares by way of the Issue and the Placing Programme and the admission of the Issue Shares, Roll-over Shares and any Shares to be issued pursuant to the Placing Programme to the Specialist Fund Market of the London Stock Exchange, a regulated market and to the Official List of the CISEA. The Company is making the offer to raise the Net Issue Proceeds which will be invested in accordance with the Company's investment objective and policy.

E.3	Terms and conditions of the offer and the Placing Programme	The Initial Placing and the Placing Programme are conditional on, amongst other things: ● the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to First Admission and any Subsequent Admission; ● First Admission occurring by 8.00 a.m. on 8 May 2015 (or such later date, not being later than 8 June 2015, as the Company and Dexion may agree) and any Subsequent Admission occurring not later than 8.00 a.m. on such other dates as may be agreed between the Company and Dexion prior to the closing of each placing under the Placing Programme, not being later than 27 April 2016; and ● in relation to First Admission, the Minimum Net Proceeds being raised. The issuance of the Roll-over Shares and the issuance of Issue Shares pursuant to the U.S. Subscription are not conditional on any Issue Shares being issued pursuant to the Initial Placing and, subject to the Minimum Net Proceeds being raised, First Admission will proceed even if the Initial Placing does not proceed. First Admission will not proceed if the Minimum Net Proceeds are not raised. The Initial Placing and the Placing Programme are not being underwritten. The number of Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds and the Net Issue Proceeds and form of consideration, is not known as at the date of this prospectus but will be notified by the Company via an RIS announcement prior to Admission.
E.4	Material interests	Not applicable. No interest is material to the Issue.
E.5	Name of person selling securities/lock up agreements	Not applicable. No person/entity is offering to sell shares as part of the Initial Placing or the Placing Programme. Certain of the partners of the Portfolio Manager (or their holding companies) who will be receiving Roll-over Shares pursuant to the Liquidation Scheme have each entered into the Lock-up Undertakings with the Company pursuant to which they have undertaken not to dispose of 90 per cent. of the Roll-over Shares received for a period of 18 months from First Admission.
E.6	Dilution	Other than the subscriber Share issued to a Morgan Sharpe Nominees Limited (who holds the single Share on trust for Chenavari Financial Group Limited), the Company has no Shares in issue and there will therefore be no dilution of existing Shareholders.
E.7	Expenses charged to the investor	Please see E1 above.

RISK FACTORS

An investment in the Shares carries a number of risks including (without limitation) 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 which are considered to be the material risks relating to an investment in the Shares but are not the only risks relating to the Shares or the Company. 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 Shares and the income from them can go down as well as up.

The Shares are only suitable for investors who understand the risk of capital loss and that there may be limited liquidity in the underlying investments of the Company and in the Shares, for whom an investment in the Shares would be of a long-term nature and constitute part of a diversified investment portfolio and who understand and are willing to assume the risks involved in investing in the Shares. Additional risks and uncertainties of which the Company is presently unaware or that the Company currently believes are immaterial may also adversely affect its business, financial condition, results of operations or the value of the Shares.

Defined terms used in the risk factors below have the meanings set out under the section headed ''Definitions'' on pages 155 to 162 of this prospectus.

Risks relating to the Company

The Company is a newly formed company with no separate operating history

The Company is a newly formed company incorporated in Guernsey on 2 March 2015. As the Company lacks an operating history, investors have no basis on which to evaluate the Company's ability to achieve its investment objective and provide a satisfactory investment return. The Company's returns and operating cash flows will depend on many factors, including the performance of its investments, the availability of investment opportunities falling within the Company's investment objective and investment policy, the pace of investment, the level and volatility of interest rates and currency exchange rates, conditions in the financial markets and economy, the financial performance and solvency of relevant counterparties and the Company's ability to successfully operate its business and execute its investment objective and investment policy. There can be no assurance that the Company's investment objective and investment policy will be successful.

The Company's targeted returns are based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies, and the actual rate of return may be materially lower than the targeted returns or negative

The Company's targeted returns set out in this prospectus are targets only and are based on estimates and assumptions about a variety of factors including, without limitation, value, volatility, the pace of investment, holding periods, the performance of the Company's investments, investment liquidity, changes in current market conditions, interest rates, currency exchange rates, government regulations or other policies, the worldwide economic environment, changes in law and taxation, natural disasters, terrorism, social unrest and civil disturbances or the occurrence of risks described elsewhere in this prospectus, which are inherently subject to significant business, economic and market uncertainties and contingencies, all of which are beyond the Company's control and which may adversely affect the Company's ability to achieve its targeted returns. The Company may not be able to implement its investment objective and investment policy in a manner that generates returns in line with the targets. Furthermore, the targeted returns are based on the market conditions and the economic environment at the time of assessing the targeted returns, and are therefore subject to change. There is no guarantee that actual (or any) returns can be achieved at or near the levels set out in this prospectus. Accordingly, the actual rate of return achieved may be materially lower than the targeted returns, or may result in a partial or total loss, which could have a material adverse effect on the performance of the Company, the NAV and the value of the Shares.

The Company can offer no assurance that its investments will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained.

The level of dividends and other distributions to be paid by the Company may fluctuate and there is no guarantee that any such distributions will be paid

There can be no assurance as to the level and/or payment of any future dividends or any distributions by the Company. The declaration, payment and amount of any future dividends or distributions by the Company are subject to the discretion of the Directors and will depend upon, among other things, the Company's financial position and cash requirements and the ability of the Company to comply with the applicable legal requirements for paying dividends, including the statutory solvency test under the Companies Law.

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

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

The Concert Party may hold a material interest in the Shares following First Admission

Potential investors' attention is drawn to the possibility that the Concert Party could, by the operation of the discount management policy, come to hold Shares carrying more than 50 per cent. of the voting rights of the Company. In this event, members of the Concert Party will be able to acquire interests in further Shares without incurring any further obligation under Rule 9 to make a general offer, although individual members of a Concert Party will not be able to increase their percentage interests in Shares through or between a Rule 9 threshold without Panel consent.

The past performance of Toro Capital I and other investments managed or advised by the Portfolio Manager cannot be relied upon as an indicator of the future performance of the Company

The past performance of Toro Capital I and other investments managed or advised by the Portfolio Manager or any of its affiliates or any of the Portfolio Manager's investment professionals cannot be relied upon as an indicator of the future performance of the Company. Investor returns will be dependent upon the Company successfully pursuing its investment objective and 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 objective and 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 to invest in. 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.

Ongoing issues in the Eurozone may have an adverse effect on investments in Europe and the break-up of the Eurozone, or the exit of any member state, would affect the Company's investments

The ongoing situation relating to the sovereign debt of certain peripheral Eurozone countries, together with the risk of contagion to other, more financially stable countries, continues to raise investment risks. The situation has also raised a number of uncertainties regarding the stability and overall standing of the European Monetary Union. Any further deterioration in the global or Eurozone economy or the political or regulatory environment could have a significant adverse effect on the activities and performance of the Company and financial counterparties and obligors to which the Company is exposed.

In addition, if the Company holds any investments that are denominated in Euros future deterioration in the Eurozone economy could have a material adverse effect on the value of such Euro denominated investments and amplify the currency risks faced by the Company.

If any country were to leave the Eurozone, or if the Eurozone were to break up entirely, the treatment of debt obligations previously denominated in Euros is uncertain. A number of issues

would be raised, such as whether obligations which are expressed to be payable in Euros be re-denominated into a new currency. The answer to this question is uncertain and would depend on the way in which the break-up occurred and also on the nature of the transaction; the law governing it; the courts having jurisdiction in relation to it; the place of payment; and the place of incorporation of the relevant counterparty. If the Company holds investments in Euros at the time of any Eurozone exits or break-up, this uncertainty and potential re-denomination could have a material adverse effect on the value of the Company's investments and the income from them.

The financial markets are uncertain and have been the subject of governmental intervention

Uncertain conditions in the global financial markets, and initiatives by governments to address them, have created a great deal of uncertainty for the finance industries, which may adversely affect the Company's investments and overall performance.

The scale and extent of these government initiatives have been unprecedented in recent times, and it remains unclear what impact they will have on global financial markets in the long term, and on European, U.S. and other economies.

These initiatives are subject to change, may be implemented in unanticipated ways and, given the discretion they afford, their effects are difficult to predict. It is not known whether the Company and the counterparties and obligors to which the Company will be exposed or its competitors will be able to benefit from these initiatives, directly, indirectly, or at all. There can be no assurance that conditions in the global financial markets, or actions by governments, will not worsen and/or further adversely affect the value of the Company's investments and overall performance.

Hedging arrangements may not be successful or available at an acceptable price

Where the Company invests in investments which are denominated in currencies other than Euros it may, but is not obliged to, employ hedging strategies designed to reduce the risk of adverse movements in currency exchange rates.

Currency derivatives (if available or deemed to be justifiable) designed to hedge the portfolio from adverse movements in foreign exchange rates may not perfectly hedge the cash flows of the underlying investments. This may result in differences between the value of any such investments and the notional amount of the hedge that relates to it. Changes to the repayment profile may cause the hedges to become less efficient.

Where currency derivatives are used and the reference exchange rate moves significantly from the rate prevailing at the time the particular contract was entered, the Company may be required to deliver a payment, known as ''margin'', to the counterparty to collateralise the negative value of a hedging instrument. Depending on the resources available to the Company, its ability to deliver margin may be constrained and may impact on the Company's ability to pay dividends to Shareholders. Alternatively, cash held for delivery of margin will, by virtue of being uninvested, reduce investment returns to the Company.

Where the Company invests in fixed interest rate debt investments it may seek to hedge its entitlement under any such investments to receive floating rate interest. However, such strategies may also result in losses and overall poorer performance than if the Company had not entered into such interest rate swap hedging transactions.

In addition to currency and interest rate hedges, the Company may from time to time enter into other forms of specialist hedging arrangements designed to hedge exposure to particular asset classes or sectors. Such specialist hedging arrangements may not be effective in hedging the full risk of such asset class or sector exposures and, even if available on economically acceptable terms, the Company may still sustain losses as a result of imperfect correlation between the hedging terms and the risk involved.

Mismatches in the accounting treatment between hedges and the asset or exposure being hedged could result in increased volatility in reported earnings and could result in dividends being uncovered by reported earnings. This could be the case even where the hedge is economically matched with the asset or exposure and where dividends are covered by cash earnings.

Hedging arrangements may be costly and may reduce the Company's earnings. Furthermore, they may result in counterparty risk and losses in the event of the default or bankruptcy of a counterparty. Additionally, appropriate hedges might not be available at all, or at a cost which is acceptable to the Company or economically viable.

Pending investment in accordance with the investment policy, the Company's assets will be subject to the credit risk of the banks or other financial institutions with which they are deposited or held and negative interest rates may apply

Following First Admission and pending its investment in accordance with the Company's investment policy, the Company may hold a large sum of cash, which it may deposit with banks or other financial institutions or otherwise hold in accordance with the Company's cash management policy. If any such bank, financial institution or counterparty were to become insolvent, or default on its obligations, the Company would be exposed to the potential loss of these sums. This would have a material adverse effect on the Company's financial position and returns to Shareholders.

In addition, a number of global banking organisations have announced, or are considering, applying negative interest rates to cash deposits or near cash equivalents held for certain types of corporate clients and financial firms due to the impact of recent regulatory requirements and the profitability of providing such products. The imposition of such negative interest rates could have a material adverse effect on the Company's financial position and returns to Shareholders depending upon the rates applied.

Risks relating to the Company's investment objective and investment policy

At First Admission, the Company's investment strategies will be the Opportunistic Credit Strategy under which the Company will opportunistically invest or trade in primary and secondary market Asset Backed Securities and other structured credit investments including private asset backed finance investments; and the Originated Transactions Strategy under which the Company will invest in transactions on a buy-to-hold basis, via a variety of means including, without limitation Warehouse Credit Facilities, which can originate credits that may be refinanced in structured credit markets as well as other financing opportunities. Investment in each strategy exposes the Company to different material risks.

The investment objective and investment policy provides considerable discretion to allocate and reallocate the portfolio between the strategies referred to above and to select investments according to the Portfolio Manager's assessment of market conditions. Accordingly, the Company's portfolio may be concentrated from time to time in certain sectors of the asset backed and structured credit universe, subject to the restrictions set out in the investment policy. The Company will publish information on the portfolio no more than monthly in the ordinary course of business and accordingly investors may only have access to out of date information on how the portfolio is allocated.

Risks relating to the Opportunistic Credit Strategy

Asset Backed Securities and other structured credit investments are exposed to adverse changes in market conditions

Each Asset Backed Security or other structured credit investment in which the Company will invest is typically backed by a pool of assets representing the obligations of a number of different borrowers or debtors (such as residential mortgages, auto loans or credit card receivables, in a consumer loan portfolio context; or corporate loans or commercial mortgages, in a commercial loan portfolio context). In some cases, the security may be backed by a single asset, for example a mortgage relating to a specific commercial property or consumer portfolio master trust. The value of Asset Backed Securities or other structured credit investment can be affected by a number of factors, including: (i) changes in the market's perception of the underlying assets backing the security; (ii) economic and political factors such as interest rates and levels of unemployment and taxation which can have an impact on the arrears, foreclosures and losses incurred with respect to the pool of assets backing the security; (iii) changes in the market's perception of the adequacy of credit support built into the security's structure to protect against losses caused by arrears and foreclosures; (iv) changes in the perceived creditworthiness of the originator of the security or any other third parties to the transaction; and (v) the speed at which mortgages or loans within the pool are repaid by the underlying borrowers (whether voluntarily or due to arrears or foreclosures). The occurrence of any such events may have a material adverse effect on the value of Asset Backed Securities held by the Company.

The Company is exposed to the risk that the Company is not able to reinvest in Asset Backed Securities or other structured credit investments with a yield comparable to that of the Company's portfolio of Asset Backed Securities and other structured credit investments as a whole

A key determinant of a bond's yield is the price at which it is purchased and, therefore, when the market price of bonds generally increases, the yield of bonds purchased generally decreases. As such, the overall yield of the Asset Backed Securities and other structured credit investments held by the Company, would fall to the extent that the market prices of Asset Backed Securities and other structured credit investments generally rise and the proceeds of Asset Backed Securities and other structured credit investments held by the Company that mature or are sold are not able to be reinvested in similar investments with a yield comparable to that of the Company's portfolio of Asset Backed Securities and other structured credit investments as a whole. This could have a material adverse effect on the Company's business, financial condition and results of operations, NAV and/or the market price of the Shares.

The illiquidity of some Asset Backed Securities or other structured credit investments may have an adverse impact on their price and the Company's ability to trade in them or require significant time for capital gains to materialise

At times of rapid changes in market conditions it may be difficult to value certain Asset Backed Securities or other structured credit investment and values may fluctuate considerably, with market prices quickly becoming out of date and not reflecting the value which would be realised on a sale of the relevant Asset Backed Securities or other structured investments in such market conditions. The value of the Asset Backed Securities in which the Company invests or other structured credit investments will be determined on a marked to market basis, or on the basis of a model where there is no such active market for such securities, and, accordingly, falls in the market price or assessed value of Asset Backed Securities or other structured credit investments may result in a corresponding fall in the NAV and the market price of the Shares. This could have a material adverse effect on the Company's business, financial condition and results of operations.

While the Portfolio Manager has demonstrated its ability with other funds to successfully manage these types of assets through periods of illiquidity, Asset Backed Securities and other structured credit investments made by the Company may be, or become, relatively illiquid and this may limit the ability of the Company to realise such investments. The Company will be materially exposed to investment in Asset Backed Securities or other structured credit investments and there may be no active market in the Company's interests in such investments during periods of illiquidity. In circumstances where there is no active market in the Company's interests in such investments and the Company is required to provide liquidity for example in order to repay borrowings, the Company may only be able to realise its interest at a discount to the net asset value and at a time when the value of such investments is depressed because of adverse market conditions. As a consequence, the value of the Company's investments may be materially adversely affected.

As a holder of Asset Backed Securities and other structured credit investments, the Company is exposed to the credit risk of the issuer of such securities and the underlying obligors

The Company will invest in Asset Backed Securities or other structured credit investments comprising debt securities issued by companies, trusts or other investment vehicles which, compared to bonds issued or guaranteed by major governments, are generally exposed to greater risk of default in the repayment of the capital provided to the issuer or interest payments due to the Company. Issuers often issue securities which are ranked in order of seniority which, in the event of default, would be reflected in the priority in which investors might be paid back. The amount of credit risk is usually measured by an evaluation of the risk of the underlying assets by investors and by the issuer's credit rating which is assigned by one or more internationally recognised credit rating agencies. This does not amount to a guarantee of the issuer's creditworthiness but credit ratings and analysis of the underlying assets generally provides a strong indicator of the likelihood of default. Securities which have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. There is a risk that an internationally recognised credit rating agency may assign incorrect or inappropriate credit ratings to issuers.

Asset Backed Securities or other structured credit investments whose underlying assets are not backed by mortgages present certain risks that are not presented by mortgage-backed securities (for example securities backed by such assets as residential mortgages and commercial

mortgages). Primarily, these securities may not have the benefit of the same security interest in the related collateral. Credit card receivables, for example, are generally unsecured. Therefore, there is a possibility that recoveries on defaulted collateral may not, in some cases, be available to support payments on these securities. The risk of investing in these types of Asset Backed Securities or other structured credit investments may ultimately be more dependent upon payment of the underlying debt by the obligor and the overall yield of the underlying asset pool.

The investment characteristics of Asset Backed Securities and other structured credit investments differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, very often monthly or quarterly, and that the underlying asset pool carries prepayment/yield reinvestment risk, principal on the underlying debt forming the asset which may be prepaid at any time because the underlying loans are often capable of being prepaid at any time (although prepayment penalties in both consumer and commercial portfolios may mitigate this effect). Investments in subordinated Asset Backed Securities or other structured credit investments involve greater credit risk of default than the more senior class(es) of the relevant issue or series.

The level of defaults in the portfolio and the losses suffered on such defaults may increase in the event of adverse financial or credit market conditions. In the event of a default under an Asset Backed Security or other structured credit investment, the Company's right to recover under such investments will depend on the ability of the Company to exercise any rights that it has against the borrower under the insolvency legislation of the jurisdiction in which the borrower is incorporated. As a creditor, the Company's level of protection and rights of enforcement may therefore vary significantly from one country to another, may change over time and may be subject to rights and protections which the relevant borrower or its other creditors might be entitled to exercise.

Non-investment grade Asset Backed Securities and other structured credit investments are subject to higher default risks

The Company may invest in high yield (i.e. non-investment grade) Asset Backed Securities and other structured credit investments, which are generally considered to be investments with a rating lower than BBB-. High yield securities have an increased risk of capital erosion due to a higher probability of default by the issuer of such securities.

Risks relating to the Originated Transactions Strategy

The Company intends to invest in Originators which establish Originated Credit Transaction and retain the requisite Retention Securities pursuant to the EU Risk Retention Requirements and/or U.S. Risk Retention Regulations. These Originated Credit Transactions will take the form of CLOs or securitisations of pools of consumer loan assets (such as residential mortgages). Certain risks are applicable to Originated Credit Transactions generally and certain additional specific risks apply to each of CLOs and securitisations of pools of consumer loan assets, in particular residential mortgages.

Risks applicable generally to Originated Credit Investments

The investments may be difficult to value accurately and, as a result, the Company may be subject to valuation risk

The portfolio of any Originator in which the Company may invest may at any given time include securities or other financial instruments or obligations which are very thinly traded, for which no market exists or which are restricted as to their transferability under applicable securities laws or contractual restrictions. These investments may be extremely difficult to value accurately. Further, because of overall size or concentration in particular markets of positions held by an Originator, the value of its investments which can be liquidated may differ, sometimes significantly, from their valuations. Third party pricing information may not be available for certain positions held by an Originator. Investments to be held by an Originator may trade with significant bid-ask spreads. An Originator will rely, without independent investigation, upon pricing information and valuations furnished by third parties, including pricing services and valuation sources, which may, in the absence of a liquid market be valued by reference to models.

The illiquidity of Originated Credit Investments may have an adverse impact on their price and an Originator's ability to trade in them or require significant time for capital gains to materialise

Credit markets may from time to time become less liquid, leading to valuation losses on Originated Credit Investments making it difficult to acquire or dispose of them at prices an Originator

considers to be their fair value. Accordingly, this may impair an Originator's ability to respond to market movements and such Originator may experience adverse price movements upon liquidation of such investments. Liquidation of portions of the portfolio under these circumstances could produce realised losses. The size of an Originator's positions may magnify the effect of a decrease in market liquidity for such investments. Settlement of transactions may be subject to delay and uncertainty. Such illiquidity may result from various factors, such as the nature of the instrument being traded, or the nature and/or maturity of the market in which it is being traded, the size of the position being traded, or lack of an established market for the relevant instruments. Even where there is an established market, the price and/or liquidity of instruments in that market may be materially affected by certain factors.

Originated Credit Investments which are in the form of loans are not as easily purchased or sold as publicly traded securities due to the unique and more customised nature of the debt agreement and the private syndication process. As a result, there may be a significant period between the date that an Originator makes an investment and the date that any capital gain or loss on such investment is realised. Moreover, the sale of restricted and illiquid securities may result in higher brokerage charges or dealer discounts and other selling expenses than the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Further, an Originator may not be able readily to dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time, which could materially and adversely affect the performance of an Originator and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The hedging arrangements of an Originator may not be successful

The investment strategy of an Originator will create material exposure to Originated Credit Investments. In the case of the deterioration of general economic conditions affecting the underlying obligors and/or asset pool, the risk of loss of principal will increase unless it can be hedged. The availability and price of any hedging is not guaranteed.

In particular, an Originator will not be permitted to enter into hedging arrangements in respect of the credit risk of Retention Securities held by it, except to the extent permitted under EU Risk Retention Requirements.

In connection with the financing of certain Originated Credit Investments (save where prohibited for Retention Securities), an Originator may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities' or asset prices, exposure to specific market sectors, obligor defaults or obligor default correlation (in the case of CLOs) and/or currency exchange rates. However, some residual risk may remain as a result of imperfections and inconsistencies in the market and/or in the hedging contract. While such hedging transactions may reduce certain risks, they create others. Even if used primarily for hedging purposes, the prices of derivative instruments are highly volatile, and acquiring or selling such instruments involves certain leveraged risks. There may be an imperfect correlation between the instrument acquired for hedging purposes and the investments or market sectors being hedged, in which case, a speculative element is added to the highly leveraged position acquired through a derivative instrument primarily for hedging purposes. In particular, any investments which are in the form of loans may, in certain circumstances, be repaid at any time on short notice at no cost, and accordingly the hedging of interest rate or currency risk in such circumstances may be less precise than is the case with investments traded in the public securities markets.

The base currency of the Company is Euros, and the base currency of any Originator is expected to be Euros or Sterling. However certain of an Originator's assets may be invested in Originated Credit Investments which are denominated in other currencies. Accordingly, an Originator will necessarily be subject to foreign exchange risks and the value of its assets may be affected unfavourably by fluctuations in currency rates. Although an Originator may employ hedging arrangements designed to reduce the risk of (or derivatives or other hedges to seek to mitigate declines in the value of) such Originated Credit Investments as a result of changes in currency exchange rates, it is not obliged to do so and may terminate any hedge contract at any time. Additionally, appropriate hedges might not be available at all, or at a cost which is acceptable to the Originator or economically viable. In addition, there can be no assurance that any attempt to hedge against a particular change or event would be successful, and any such hedging failure could materially and adversely affect the performance of an Originator and, by extension, the

Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

A default by any hedging counterparty in the performance of its obligations could subject the investments to unwanted credit and market risks. Accordingly, although an Originator, and therefore the Company, may benefit from the use of hedging strategies, where used, the inability of such strategy to properly hedge the market risk in the investments and/or default of a counterparty in the performance of its obligations under a hedging contract may have a material adverse effect on the performance of an Originator and, by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares, and there is no guarantee that such material adverse effects would not exceed those which may have resulted had no hedging strategy been employed.

Under certain hedging contracts that an Originator may enter into, an Originator may be required to grant security interests over some of its assets to the relevant counterparty as collateral

In connection with certain hedging contracts, an Originator may be required to grant security interests over some of its assets to the relevant counterparty to such hedging contract as collateral. Such hedging contracts typically will give the counterparty the right to terminate the agreement upon the occurrence of certain events. Such termination events may include, among others, a failure by an Originator to pay amounts owed when due, a failure to provide required reports or financial statements, a decline in the value of the investments secured as collateral, a failure to maintain sufficient collateral coverage, key changes in an Originator's management, a significant reduction in an Originator's net asset value, and material violations of the terms, representations, warranties or covenants contained in the hedging contract, as well as other events determined by the counterparty. If a termination event were to occur, there may be a material adverse effect on the performance of an Originator and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The use of leverage by an Originator may increase the volatility of returns and providers of leverage would rank ahead of investors in an Originator in the event of insolvency

An Originator may employ leverage as deemed appropriate in order to access appropriate investment opportunities. While leverage can present opportunities for increasing total returns, it can also have the effect of increasing the volatility of the performance of an Originator, an Originator's assets and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares, including the risk of total loss of the amount invested. If income and capital appreciation on investments made with borrowed funds are less than the costs of the leverage, an Originator's net asset value will decrease.

The effect of the use of leverage is to increase the investment exposure, the result of which is that, in a market that moves adversely, the possible resulting loss to investors' capital would be greater than if leverage were not used. As a result of leverage, small changes in the value of the underlying assets may cause a relatively large change in the value of an Originator. Financial instruments used to employ leverage can be subject to variation or other interim margin requirements, which may force premature liquidation of investments (if possible). Investors should be aware that the use of leverage by an Originator can be considered to multiply the leverage effect on their investment returns in the Company. As described above, while this effect may be beneficial when market movements are favourable, it may result in a substantial loss of capital when market movements are unfavourable.

In addition, such leverage may involve granting of security or the outright transfer of specific investments in the Originator's portfolio. Since there will be no security created in respect of an Originator's obligations under any Profit Participating Instruments which may be held by the Company or in respect of shares which may be held by the Company in an Originator, on any insolvency of an Originator, the Company could rank behind an Originator's financing and hedging counterparties, whose claims will be considered as indebtedness of such Originator and may be secured. Leverage does create opportunities for greater total returns on Originated Credit Investments but simultaneously may create special risk considerations by exaggerating changes in the total value of an Originator's net asset value and in the yield on its Investments and, subsequently, the yield on any Profit Participating Instruments which may be held by the Company.

In addition, to the extent leverage is employed, an Originator may be required to refinance transactions from time to time. On each refinancing, the applicable counterparty may choose to re-

negotiate the terms of each transaction or indeed not to refinance the transaction at all. To the extent refinancing facilities are not available in the market at economic rates or at all, an Originator may be required to sell investments at disadvantageous prices. Any such deleveraging may result in losses on investments which could be severe and accordingly could have a material adverse effect on the performance of an Originator and, by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

On the other hand, an Originator may wish to employ leverage but may be unable to do so or to do so on favourable terms, which could decrease the returns of any Profit Participating Instruments issued by such Originator and held by the Company and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Risk relating to Warehouse Credit Facilities

An Originator may utilise Warehouse Credit Facilities to acquire exposure to loan assets. Warehouse Credit Facilities have risks that are similar in some respects to those applicable to other forms of leverage and hedging as described above.

In addition, there typically will be no assurance that any future securitisation of loan assets the subject of a Warehouse Credit Facility will be consummated or that such loan assets will be eligible for purchase by the relevant securitisation vehicle, resulting in a need for an Originator to refinance such loan assets creating the risk that it will not be able to do so. Furthermore, the financing provider of any Warehouse Credit Facility may have consent rights with respect to the loan assets which may be acquired by an Originator using the Warehouse Credit Facility, and in the case of a CLO, the relevant CLO Manager may have the right to propose or veto the selection of assets and it is usual for industry and other concentration and eligibility limits to apply on a portfolio basis to Warehouse Credit Facilities. An Originator may therefore not be able to acquire particular loan assets which it would otherwise have wished to include in the securitisation vehicle in question. In the event a planned securitisation is not consummated, or the loan assets are not eligible for purchase by the relevant securitisation vehicle, an Originator will be responsible for either holding or disposing of the loan assets. This could expose an Originator to credit and/or marked-to-market losses, and other risks with respect to such loan assets and, by extension, could have a material adverse effect on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Interest rate fluctuations could expose an Originator to additional costs and losses

The prices of the investments that may be held by an Originator are likely to be sensitive to interest rate fluctuations and fluctuations in interest rates can cause the corresponding price of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs of leveraged investments. Further, an Originator may invest in both floating and fixed rate securities and interest rate movements will affect those respective securities differently. In particular, when interest rates rise the value of fixed interest rate securities often fall. Furthermore, to the extent that interest rate assumptions underlie the hedging of a particular position, fluctuations in interest rates could invalidate those underlying assumptions and expose an Originator to additional costs and losses. Any of the above factors could materially and adversely affect the performance of an Originator and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The return to an Originator may be adversely impacted by the insolvency regime or insolvency regimes which may apply to its direct or indirect investments or exposures

In the event of the insolvency of an obligor whose credit is supporting an Originator's investment, recovery of amounts outstanding in insolvency proceedings may be impacted by the insolvency regime in force in the jurisdiction of such obligor, and in the case of corporate obligors, in the jurisdiction in which such obligor mainly conducts its business (if different from the jurisdiction of incorporation), and/or in the jurisdiction in which the assets of any obligor are located. Such insolvency regimes may impose rules for the protection of debtors and may adversely affect the ability to recover such amounts as are outstanding from the insolvent obligor under the investment, which may adversely affect the performance of an Originator, and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

In particular, jurisdictions to which an Originator may directly or indirectly be exposed may have insolvency regimes which are uncertain or which conflict with other jurisdictions relevant to the insolvency which may cause delays to the recovery of amounts owed by insolvent obligors or

underlying obligors subject to those regimes. The different insolvency regimes applicable in different jurisdictions may result in a corresponding variability of recovery rates in such jurisdictions, any of which may have a material adverse effect on the performance of an Originator and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The due diligence process that an Originator may undertake in evaluating specific investment opportunities may not reveal all facts that may be relevant in connection with such investment opportunities and any corporate mismanagement, fraud or accounting irregularities may materially affect the integrity of an Originator's due diligence on investment opportunities

When conducting due diligence and making an assessment regarding an investment, an Originator will be required to rely on resources available to it, including internal sources of information as well as information provided by existing and potential obligors, any equity sponsor(s), lenders and other independent sources and proprietary research by the Originator. The due diligence process may at times be required to rely on limited or incomplete information.

The value of an investment made by an Originator may be affected by fraud, misrepresentation or omission on the part of an obligor, underlying obligor, any related parties to such obligor or underlying obligor, servicers or by other parties to the investment (or any related collateral and security arrangements). Such fraud, misrepresentation or omission may adversely affect the value of the investment and/or the value of the collateral underlying the investment in question and may adversely affect an Originator's ability to enforce its contractual rights relating to that investment or the relevant obligor's ability to repay the principal or interest on the investment.

An Originator will select investments in part on the basis of information and data relating to potential investments made available to it or filed with various government regulators and publicly available or made directly available to such Originator by the entities filing such information or other third parties. Although the Originator will evaluate all such information and data and seek independent corroboration when it considers it appropriate and reasonably available, an Originator will not be in a position to confirm the completeness, genuineness or accuracy of such information and data. An Originator will be dependent upon the integrity of the management of the entities filing or providing such information and of such third parties as well as the financial reporting process in general.

Investment analysis and decisions by an Originator may be undertaken on an expedited basis in order to make it possible for an Originator to take advantage of short-lived investment opportunities. In such cases, the available information at the time of an investment decision may be limited, inaccurate and/or incomplete. Furthermore, an Originator may not have sufficient time to evaluate fully such information even if it is available, and it may be the case that the sale process selected by sellers of assets may deliberately limit the due diligence materials available.

Accordingly, there can be no guarantee that the due diligence investigation carried out by an Originator with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Any inability by an Originator to identify or uncover relevant facts through the due diligence process may cause it to make inappropriate investment decisions, which may have a material adverse effect on the performance of an Originator and, by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The collateral and security arrangements attached to an investment may not have been properly created or perfected, or may be subject to other legal or regulatory restrictions

The collateral and security arrangements in relation to secured obligations in which an Originator may invest (and the security arrangements relating to the underlying assets of an investment) will be subject to such security or collateral having been correctly created and perfected and, in the case of commercial assets, any underlying applicable legal or regulatory requirements which may restrict the giving of collateral or security by an underlying corporate obligor, such as, for example, thin capitalisation, over-indebtedness, financial assistance and corporate benefit requirement. If an investment does not benefit from the expected collateral or security arrangements, this may adversely affect the value of, or in the event of a default, the recovery of principal or interest from, such investment. Accordingly, any such failure properly to create or perfect collateral and security interests attaching to investments may adversely affect the performance of a securitisation vehicle in which an Originator holds Retention Securities and/or such Originator and, by extension, the

Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

An Originator will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with Retention Securities until such time as the securities of the relevant securitisation vehicle have been redeemed in full (whether at final maturity or early redemption) under EU Risk Retention Requirements and/or no sooner than the redemption or repayment of the notes or assets to specified levels, which places limitations on the Company's ability to redeem the Profit Participating Instruments it may hold in such Originator

The purpose of the EU Risk Retention Requirements is to ensure that there is an alignment of interests between the originator, sponsor or original lenders in respect of a securitisation and the investors in such securitisation. In essence, these rules require the originators to retain on an unhedged basis ''skin in the game'' by retaining a five per cent. interest in the relevant securitisation. Any securitisation vehicle which an Originator establishes will be intended to be compliant with the risk retention rules for securitisation transactions under the EU Risk Retention Requirements. The EU Risk Retention Requirements restrict relevant investors from being exposed to the risk of a securitisation position unless, amongst other things, the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, the Retention Securities. It is expected that any Originator in which the Company invests will hold such interest as an ''originator'' for this purpose. Aspects of these requirements, and what is or will be required to demonstrate compliance to national regulations, continue to change and evolve.

In order to satisfy the EU Risk Retention Requirements and be a qualifying retention holder, an Originator will need to, amongst other things, (a) establish the relevant securitisation; (b) sell investments to the relevant securitisation vehicle where, (i) it has purchased such investments for its own account, or (ii) it was itself or through related entities, directly or indirectly, involved in the original agreement which created such obligations; (c) during each securitisation vehicle's reinvestment or revolving period, sell investments to such securitisation vehicle from time to time so that, for so long as the securities of the securitisation vehicle are outstanding, over 50 per cent. of the total securitised exposures held by the securitisation vehicle have been originated by such Originator; and (d) on the closing date of a securitisation, commit to purchase the Retention Securities and undertake that, for so long as any other securities of the securitisation vehicle remain outstanding, it will retain its interest in the Retention Securities and will not sell, hedge or otherwise mitigate its credit risk under or associated with such Retention Securities.

As a result of the above commitments, an Originator will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the Retention Securities for a transaction intended to be compliant with the EU Risk Retention Requirements until such time as the other securities of the securitisation vehicle have been redeemed in full (whether at final maturity or early redemption). Consequently, if any Profit Participating Instruments were to become due and repayable in connection with an early redemption or were subject to partial-redemption, the issuing Originator would not be obliged under the terms of any Profit Participating Instruments to immediately sell, transfer or liquidate the Retention Securities and the proceeds of such Retention Securities (if any) would not be available until the final maturity or early redemption in full of the securities of the relevant securitisation vehicle. In addition, cash held by an Originator will not be able to be used to repay any Profit Participating Instruments to the extent that such repayment could leave an Originator unable to continue to originate and sell assets to the securitisation vehicle in order to ensure that during the securitisation vehicle's reinvestment or revolving period it has provided over 50 per cent. of the total securitised exposures held by such securitisation vehicle. Both of these factors, by extension, may have an adverse effect on the Company's financial performance and prospects.

Even if an Originator benefits from an early redemption option, the exercise of any such early redemption option may be limited for a specified period. As a result of this feature and the EU Risk Retention Requirements, the relevant Retention Securities will not be permitted to be sold, transferred or liquidated during this time. In addition, even after an early redemption option is permitted to be exercised, such an option usually contains a number of conditions to its exercise. In the case of a CLO, these would include, but not be limited to, a threshold that the liquidation value of the CLO collateral exceeds an amount which would pay, (a) all expenses of the CLO and (b) principal and accrued interest on the CLO notes senior to the CLO Equity Tranche Securities. If the liquidation value of the portfolio will not achieve this threshold at the time an early redemption

option becomes exercisable, the CLO will not be able to be optionally redeemed by an Originator at such time. In such circumstances the Retention Securities may not be redeemed until their final stated maturity, therefore producing no proceeds to repay the Profit Participating Instruments until this point which, by extension, may have an adverse effect on the Company's financial performance and prospects.

Non-compliance with the EU Risk Retention Requirements could result in liability and reduced returns

The purchase and holding of Retention Securities by an Originator is intended to achieve compliance with the EU Risk Retention Requirements by the relevant securitisation vehicle.

There are currently originator entities in operation which are similar to the Originators in which the Company proposes to invest. However, if an applicable regulatory authority supervising investors in securitisations were to conclude that an Originator is not an ''originator'' under the EU Risk Retention Requirements and therefore an eligible retainer or is not otherwise holding Retention Securities in accordance with the EU Risk Retention Requirements, this may negatively impact upon the investors in securitisations originated by such Originator, and such Originator may be in breach of the terms of the related risk retention letter, which may include a representation from such Originator that it holds the Retention Securities in compliance with the EU Risk Retention Requirements. In such circumstances, investors may decide to take action against such Originator as a result of any negative impact and the arranger of the relevant securitisation and the other parties to the related risk retention letter would have recourse to the Originator for losses incurred as a result of such breach. Such claims may reduce, or entirely diminish, any cash or assets of the relevant Originator which may have been available to repay any Profit Participating Instruments and the interest payable on the Profit Participating Instruments which, by extension, may have an adverse effect on the Company's financial performance and prospects.

In this regard, it should be noted that on 22 December 2014 the European Banking Authority published a paper (the ''**EBA Paper**''), providing advice to the European Commission on the application and effectiveness of the EU Risk Retention Requirements in the light of international market developments. The EBA expresses concern regarding ''potential loopholes'', noting that it is possible to establish an ''originator SSPE'' with third-party equity investors solely in order to create an ''originator'' that meets the legal definition of the regulation and which will become the retainer in a securitisation or where an originator entity purchases assets to be securitised and holds them on its balance sheet for one day before selling them to a securitisation vehicle. The EBA states that the entity claiming to be the ''originator'' should be of real substance and should always hold ''some actual economic capital in its assets for a minimum period of time''. The EBA questioned whether these structures followed the ''spirit'' of the regulation and the European Commission may ask the EBA to undertake further work on this issue.

In a recent key note address entitled ''*Regulators Outlook for the Originator Structure*'' on 9 March 2015, Christian Moor (Policy Expert, Securitisation, Covered Bonds and Market Risk – EBA) confirmed that any final decision around the originator definition would be taken by the European Commission but that in his opinion in order to meet the ''spirit'' of the legislation it should be a company with real substance and assets, have a formal governance process in place, should assess and hold risk capital on a realistic basis and the ''potential loopholes'' identified in the EBA Paper related to the wider non-CLO market.

While the EBA Paper and such public views have been helpful, at this stage it is not clear what, if any changes may be made to the definition or interpretation of ''originator'' in the EU Risk Retention Requirements.

While there is an expectation that the various EU Risk Retention Requirement regimes will be interpreted consistently, and the EU authorities have indicated that this is their intention, this may not be the case in practice.

Special risks applicable to CLOs

An Originator may hold a relatively concentrated portfolio

An Originator may hold a relatively concentrated portfolio which may be exposed to the creditworthiness of a select number of corporate obligors. There is a risk that an Originator could be subject to significant losses if any obligor, especially one with whom an Originator had a concentration of CLO investments, were to default or suffer some other material adverse change. The level and correlation of defaults in the portfolio and the losses suffered on such defaults will

change and may increase in the event of adverse financial or credit market conditions. Any of these factors could adversely affect the value of an Originator's CLO portfolio and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

In the event of a default in relation to a CLO investment, an Originator will bear a risk of loss of principal, accrued interest and other payments

Performance, and by extension investor yield, on the Company's investments in an Originator may be affected by the default or perceived credit impairment of CLO investments made by such Originator and by general or sector specific credit spreads widening. Credit risks associated with such CLO investments include (among others): (i) the possibility that the earnings of an obligor may be insufficient to meet its debt service obligations; (ii) an obligor's assets declining in value; and (iii) the declining creditworthiness, default and potential for insolvency of an obligor during periods of rising interest rates and economic downturn. An economic downturn and/or rising interest rates could severely disrupt the market for the investments and adversely affect the value of the investments and the ability of the obligors thereof to repay principal and interest. In turn, this may adversely affect the performance of an Originator and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

In the event of a default in relation to a CLO investment held by it, an Originator will bear a risk of loss of principal and accrued interest on that investment. Any such investment may become defaulted for a variety of reasons, including non-payment of principal or interest, as well as breaches of contractual covenants. A defaulted investment may become subject to workout negotiations, enforcement of security, or may be restructured by, for example, reducing the interest rate, a write-down of the principal, and/or changes to its terms and conditions. Any such process may be extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on the defaulted CLO investment. In addition, significant costs might be imposed on the lender, further affecting the value of the investment. The liquidity in such defaulted CLO investments may also be limited and, where a defaulted CLO investment is sold, it is unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest owed on that CLO investment. This would adversely affect the value of the portfolio of an Originator and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

In the case of secured loans, restructuring can be an expensive and lengthy process which could have a material negative effect on an Originator's anticipated return on the restructured loan. By way of example, it would not be unusual for any costs of enforcement to be paid out in full before the repayment of interest and principal. This would substantially reduce an Originator's anticipated return on the restructured loan.

An investment in CLOs will be based in part on valuations of collateral which are subject to assumptions and factors that may be incomplete, inherently uncertain or subject to change

A component of an Originator's analysis of the desirability of making a given CLO investment relates to the estimated residual or recovery value of such CLO in the event of the insolvency of the underlying obligor(s). This residual or recovery value will be driven primarily by the value of the anticipated future cashflows of an obligor's business and/or by the value of any underlying assets. If the recovery value of the collateral associated with the CLO in which an Originator invests decreases or is materially worse than expected by an Originator, such a decrease or deficiency may affect the value of the investments made by an Originator. Accordingly, there will be an adverse effect on the performance of the Originator and, by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

CLO Securities are a limited recourse obligation of the CLO issuer

CLO Securities are a limited recourse obligation of a CLO issuer. Furthermore, amounts payable on CLO Equity Tranche Securities are payable solely from amounts received in respect of the collateral of the CLO issuer. Payments on CLO Equity Tranche Securities prior to and following enforcement of the security over the collateral of a CLO issuer are subordinated to the prior payment of certain costs, fees and expenses of, or payable by, the CLO issuer and to payment of principal and interest on more senior notes of the CLO issuer. The holders of CLO Securities must rely solely on distributions on the collateral of the CLO for payment of principal and interest, if any, on the CLO Securities. There can be no assurance that the distributions on the collateral of a CLO

will be sufficient to make payments on the CLO Securities. If distributions are insufficient to make payments on the CLO Securities, no other assets of the CLO issuer will be available for payment of the deficiency and following realisation of the collateral and the application of the proceeds thereof, the obligations of the CLO issuer to pay such deficiency shall be extinguished. Such shortfall will be borne in the first instance by the CLO Equity Tranche Securities.

In addition, no holder of CLO Securities shall be entitled at any time to institute against the related CLO issuer, or join in any institution against such CLO issuer of, any bankruptcy, reorganisation, arrangement, insolvency, examinership, winding up or liquidation proceedings under any applicable bankruptcy or similar law in connection with any obligations of the CLO issuer relating to the CLO Securities or otherwise owed to the holder of CLO Securities, save for lodging a claim in the liquidation of the CLO issuer which is initiated by another party or taking proceedings to obtain a declaration as to the obligations of the CLO issuer, nor shall it have a claim arising in respect of the share capital of the CLO issuer.

Where an Originator enters into Warehouse Credit Facilities which are of a limited recourse nature, similar risks will apply.

CLO Securities have limited liquidity

There liquidity in the market for CLO Securities changes and may be limited or withdrawn. There is no guarantee that any party to a CLO transaction will make a secondary market in relation to the CLO Securities. There can be no assurance that a secondary market for any particular CLO Securities will develop or, if a secondary market does develop, that it will provide the holders of CLO Securities with liquidity of investment or that it will continue for the life of such notes. As a result, an Originator may have to hold particular CLO Securities for an indefinite period of time or until their early redemption date or maturity date. Where a market does exist, to the extent that an investor wants to sell the CLO Securities, the price may, or may not, be at a discount from the outstanding principal amount. There may be additional restrictions on divestment in the terms and conditions of CLO Securities.

Where an Originator holds securities financing a Warehouse Credit Facility, similar risks will apply.

CLO Equity Tranche Securities may be volatile and interest and principal payments payable on the CLO Equity Tranche Securities are not fixed

CLO Equity Tranche Securities are the most subordinated tranche of a CLO and all payments of principal and interest on such CLO Equity Tranche Securities are fully subordinated. Interest and principal payments are not fixed but are based on residual amounts available to make such payments. As a result, payments on such CLO Equity Tranche Securities will be made by the securitisation vehicle in which an Originator holds Retention Securities to the extent of available funds, and no payments thereon will be made until amongst other things, (a) payments of certain costs, fees and expenses have been made, and (b) interest and principal then due has been paid on the more senior notes of the CLO. Non-payment of interest or principal on such CLO Equity Tranche Securities will be unlikely to cause an event of default in relation to the securitisation vehicle in which an Originator holds Retention Securities until all senior notes have been repaid.

As CLO Equity Tranche Securities represent the most junior securities in the leveraged capital structure, and the most subordinated liabilities, of the securitisation vehicle, changes in the market value of such CLO Equity Tranche Securities will be greater than changes in the market value of the underlying assets of the CLO issuer in which an Originator holds Retention Securities, which themselves are subject to credit, liquidity, interest rate and other risks and will generally magnify the CLO Equity Tranche Securities investors' opportunities for gain and risk of loss. In certain scenarios, the CLO Equity Tranche Securities may be subject to a partial or entire loss of invested capital. In particular, any deterioration in performance of the asset portfolio of a CLO issuer in which an Originator holds Retention Securities, including defaults and losses, a reduction of realised yield or other factors, will be borne first by holders of such CLO Equity Tranche Securities prior to the rest of the capital structure.

Where an Originator holds a first loss position in a Warehouse Credit Facility, similar risks to CLO Equity Tranche Securities will apply.

An Originator may not be able to comply with the U.S. Risk Retention Regulations and the U.S. Risk Retention Regulations may adversely affect the ability of an Originator to establish new CLOs

On 21 and 22 October 2014, the joint final regulations implementing the credit risk retention requirements of section 15G of the U.S. Securities Exchange Act of 1934, as amended ("**U.S. Exchange Act**") as added by the Dodd-Frank Act ("**U.S. Risk Retention Regulations**") were adopted and will become effective on 24 December 2016. The U.S. Risk Retention Regulations generally require securitisers of asset-backed securities, including CLO Managers, to retain not less than five per cent. of the credit risk of the assets collateralising such asset-backed securities unless an exemption applies. The U.S. Risk Retention Regulations are not currently applicable to securities issued prior to 24 December 2016.

If an Originator is unable to make investments that comply with the U.S. Risk Retention Regulations, such Originator's ability to generate returns may be affected. It is also possible that a refinancing or additional issuance of notes by a CLO issuer after the effective date of the U.S. Risk Retention Regulations could be considered a new transaction that would be subject to the U.S. Risk Retention Regulations. If a CLO is unable to comply with the U.S. Risk Retention Regulations, the ability of the CLO issuer to effect any such refinancing or additional issuance of notes may be impaired or otherwise limited, which could also affect an Originator's ability to generate returns.

In addition, the U.S. Risk Retention Regulations may adversely affect the leveraged loan market generally, which could also have adverse effects on any Profit Participating Instruments held by the Company and by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares. For example, it is possible that the U.S. Risk Retention Regulations may reduce the number of CLO Managers active in the CLO market, which may result in fewer new-issue CLOs and reduce the liquidity provided by CLOs to the leveraged loan market generally. A contraction or reduced liquidity in the leveraged loan market could reduce opportunities for an Originator to invest in collateral obligations or establish CLOs, which could negatively impact the return on the Shares and could reduce the market value or liquidity of the Shares. As a result, a negative impact on secondary market liquidity for the Shares may be experienced even prior to the effective date of the U.S. Risk Retention Regulations, due to the effect of the U.S. Risk Retention Regulations on market expectations, the relative appeal of alternative investments not subject to the U.S. Risk Retention Regulations and other factors.

Furthermore, no assurance can be given as to whether the U.S. Risk Retention Regulations will have any material adverse effect on the business, financial condition or prospects of an Originator in which the Company invests and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Special risks applicable to securitisations of pools of consumer loans, in particular residential mortgages

Securitisation vehicles in which an Originator may invest may be exposed to mortgage loans, which assets have inherent risks

Prepayments on mortgage loans may result from refinancings, sales of properties by borrowers voluntarily or as a result of enforcement proceedings under the relevant mortgages, as well as the receipt of proceeds under insurance policies. Repurchases of mortgage loans by a relevant seller under the terms of a mortgage sale agreement will have the same effect as a prepayment of such loans by the underlying borrowers. The yield to maturity of any securities issued by mortgage securitisation vehicles may be adversely affected by, amongst other things, a higher or lower than anticipated rate of prepayments on the mortgage loans.

The rate of prepayment of mortgage loans by underlying borrowers is influenced by a wide variety of economic, social and other factors, including prevailing mortgage market interest rates, the availability of alternative financing programs, local and regional economic conditions and homeowner mobility. For instance, prepayments on mortgage loans may be due to underlying borrowers refinancing their loans and sales of mortgaged properties by underlying borrowers (either voluntarily or as a result of enforcement action taken).

If the residential property market in the United Kingdom or other relevant jurisdictions experiences a decline in property values, the value of the security created by a mortgage could also be significantly reduced.

In addition, the ability of an underlying borrower to sell a mortgaged property given as security for a mortgage loan at a price sufficient to repay the amounts outstanding under the mortgage loan will depend upon a number of factors, including the availability of buyers for that mortgaged property, the value of that mortgaged property and property values in general at the time. The competitive environment of the relevant mortgage loan industry may also affect the repayment rate of existing obligors.

Such factors may materially adversely affect the returns payable on securities held by an Originator in securitisation vehicles backed by pools of mortgage loans which may have a material adverse effect on the performance of an Originator and, by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares

Securitisation vehicles in which an Originator may invest may hold consumer loans, which assets could be affected by various factors including the timing and amount of payment on such loans

Consumer loans are affected by credit, liquidity and interest rate risks. Various factors influence delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Other factors in underlying borrowers' individual, personal or financial circumstances may affect the ability of such borrowers to repay loans. Loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies by, and bankruptcies, of underlying borrowers, and could ultimately have an adverse impact on the ability of underlying borrowers to repay loans. Such factors may materially adversely affect the returns payable on securities held by Originators in securitisation vehicles backed by pools of consumer loans which may have a material adverse effect on the performance of such Originator and, by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Risks relating to the Shares

The Shares may trade at a discount to NAV per Share and Shareholders may be unable to realise their investments through the secondary market at NAV per Share

The Shares may trade at a discount to the applicable NAV per Share for a variety of reasons, including adverse market conditions, a deterioration in investors' perceptions of the merits of the Company's investment objective and investment policy, an excess of supply over demand in the Shares, and to the extent investors undervalue the portfolio management activities of the Portfolio Manager or discount its valuation methodology and judgments. While the Directors may seek to mitigate any discount to NAV per Share through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such mechanisms will be successful.

The Shares have never been publicly traded on the London Stock Exchange or the CISEA and an active and liquid trading market for the Shares may not develop.

Application will be made to the London Stock Exchange for all of the Shares to be admitted to trading on the Specialist Fund Market of the London Stock Exchange and to listing and trading on the official list of the CISEA.

The Specialist Fund Market is a relatively new market and likely liquidity and price volatility levels are relatively unknown. Liquidity experienced on the Specialist Fund Market to date may not be a suitable indicator for liquidity levels in the future. The Company is not required to appoint a market maker or make a market for Shares traded on the Specialist Fund Market. There can be no guarantee that a liquid market in the Shares will develop or be maintained or that the Shares will trade at prices close to their applicable underlying NAV per Share. Accordingly, Shareholders may be unable to realise their investment at applicable NAV per Share or at all.

In addition, if such a market does not develop, relatively small transactions or intended transactions in the Shares may have a significant negative impact on the price of the Shares whilst transactions or intended transactions related to a significant number of Shares may be difficult to execute at a stable price.

Neither the number of Roll-over Shares to be issued, nor the number of Shares to be issued pursuant to the Issue and the Placing Programme is known at the date of this prospectus.

Following First Admission and the subsequent close of the Placing Programme, there may be a limited number of holders of Shares.

Limited numbers of Shares and/or holders of Shares may mean that there is limited liquidity in such Shares which may adversely affect; (i) an investor's ability to realise some or all of his investment; and/or (ii) the price at which such investor can effect such realisation; and/or (iii) the price at which such Shares trade in the secondary market. In addition, a substantial proportion of the Shares may be issued to a limited number of investors, which could adversely affect the development of an active and liquid market for the Shares.

The NAV may be based on estimates which may be inaccurate

A portion of the Company's investments are likely to be in the form of instruments for which market quotations are not readily available, and third-party pricing information may not be available for certain investments held in the Company's portfolio. Individual investments which make up the portfolio may therefore be valued by the Sub-Administrator, on the advice of the Portfolio Manager, using a variety of techniques as described in further detail in Part I of this prospectus.

As valuations and, in particular, valuations of instruments for which market quotations are not readily available, are inherently uncertain, these may fluctuate over short periods of time and may be based on estimates. In addition, determinations of fair value may differ materially from the values that would have resulted if a ready market had existed. Even if market quotations are available for certain of the instruments, such quotations may not reflect the value that could actually be realised because of various factors, including the illiquidity of the instruments held in the portfolio, future price volatility or the potential for a future loss in value based on poor industry conditions or overall company and management performance. Consequently, the value at which instruments in the portfolio could be liquidated may differ, sometimes significantly, from the valuations reflected in the latest published NAV.

The value ascribed to investments will not constitute a guarantee of value and may not necessarily reflect the prices at which such investments could be, or could have been, purchased or sold at any given time, which may be subject to significant volatility and uncertainty and depend on various factors beyond the control of the Company and the Portfolio Manager. Furthermore, the Company's profitability, the NAV and value of the Shares could be adversely affected if the values of investments that the Company records are materially higher than the values attributed to such investments from time to time. This may result in volatility in the NAV and operating results that the Company reports from period to period.

In calculating the NAV, the Sub-Administrator may be required to rely on estimates of the value of investments, which will be supplied, directly or indirectly, by relevant counterparties. Such estimates may be unaudited or may be subject to little verification or other due diligence and may not comply with generally accepted accounting practices or other valuation principles. In addition, such counterparties may not provide estimates of the value of investments on a regular or timely basis or at all with the result that the values of such investments may be estimated by the Directors on the basis of information available at the time.

The Company may issue additional securities that dilute existing Shareholders' voting rights or have a negative impact on the Share price

Subject to the Articles, the Companies Law and all other legal and regulatory requirements, the Company may issue additional shares (including Shares and/or C Shares). Any additional issuances by the Company, or the possibility of such issue, may cause the market price of the existing Shares to decline. Furthermore, the voting rights of holders of Shares may be diluted further on conversion of any C Shares depending on the applicable conversion ratio.

There are no provisions of Guernsey law or the Articles which require there to be rights of pre-emption in respect of the allotment of Shares and/or C Shares. Accordingly, the Directors will not be obliged to offer any new Shares and/or C Shares to Shareholders on a *pro rata* basis.

Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time

The Company has been established as a Registered Closed-ended Collective Investment Scheme. Accordingly, Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. Shareholders wishing to realise their investment in the Company will normally therefore be required to dispose of their Shares through the secondary market.

Accordingly, the ability of Shareholders' to realise their investment at NAV per Share or at all is dependent on the existence of a liquid market for the Shares.

The market price of the Shares may rise or fall rapidly

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

General movement in local and international stock markets, prevailing and anticipated economic conditions and interest rates, investor sentiment and general economic conditions may all affect the market price of the Shares. To optimise returns, Shareholders may need to hold the Shares for the long term and the Shares are not suitable for short term investment.

The Company may use borrowings

The Company may use borrowings from time to time for the purposes of short term bridging, financing Share buy-backs, repurchase agreements with market counterparties or managing working capital requirements, including hedging facilities. While the Company's own borrowings are expected to be limited, as a general proposition it should be noted that, while the use of borrowings can enhance the total return on the Shares where the return on the Company's underlying investments is rising and exceeds the cost of borrowing, it may have the opposite effect where the return on the Company's underlying investments is rising at a lower rate than the cost of borrowing or falling, further reducing the total return on the Shares. As a result, the use of borrowings by the Company may increase the volatility of the NAV per Share.

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, borrowing limits or loan covenants, 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 any borrowings. As such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates, to the extent it has borrowed funds outstanding.

As discussed above, the Company may also invest in Originators with significant leverage.

The Shares will be subject to transfer restrictions as well as forced transfer provisions.

The Shares have not been registered and will not be registered in the United States under the U.S. Securities Act or under any other applicable securities law and are subject to restrictions on transfer contained in such laws (see Part VII of this prospectus) and the Company will not be registered under the U.S. Investment Company Act.

In order to avoid being required to register under the U.S. Securities Act and/or the U.S. Investment Company Act, the Shares are subject to restrictions on transfer which may affect the ability of Shareholders to transfer Shares in the United States or to U.S. Persons. The Shares may not be resold in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act, the U.S. Investment Company Act and applicable state securities laws, and in circumstances which will not result in the assets of the Company constituting ''plan assets'' within the meaning of the Employee Retirement Income Security Act of 1974, as amended (''**ERISA**''), that are subject to Part 4 of Title I of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended. Shares transferred in breach of such restrictions will be subject to mandatory transfer provisions as set out in the Articles. In particular, it should be noted that Shares transferred in circumstances which may result in assets of the Company constituting ''plan assets'' under ERISA may automatically be transferred into a charitable trust in which case the transferee of such Shares would lose its rights to the Shares and be entitled only to liquidated consideration.

Risks relating to the Portfolio Manager

The Company is dependent on the expertise of the Portfolio Manager and its key personnel to evaluate investment opportunities and to implement the Company's investment objective and investment policy

In accordance with the Portfolio Management Agreement, the Portfolio Manager has been delegated responsibility for the discretionary portfolio management of the Company's investments. The Company does not have employees and its Directors are appointed as non-executives. All of

its portfolio management decisions, have been delegated by the Company and the AIFM and will be made by, the Portfolio Manager and not by the Company or the AIFM. Accordingly, the Company will be reliant upon, and its success will depend on, the Portfolio Manager and its personnel, services and resources. The Portfolio Manager is not required to, and generally will not, submit individual investment decisions for approval to the AIFM or the Board.

Consequently, the future ability of the Company to successfully pursue its investment objective and investment policy may, among other things, depend on the ability of the Portfolio Manager to retain its existing staff and/or to recruit individuals of similar experience and calibre. Whilst the Portfolio Manager has endeavoured to ensure that the principal members of its management team are suitably incentivised, the retention of key members of the team cannot be guaranteed. Furthermore, in the event of a departure of a key employee of the Portfolio Manager, there is no guarantee that the Portfolio Manager would be able to recruit a suitable replacement or that any delay in doing so would not adversely affect the performance of the Company. Events impacting but not entirely within the Company's or the Portfolio Manager's control, such as its financial performance, it being acquired or making acquisitions or changes to its internal policies and structures could in turn affect its ability to retain key personnel.

If the Portfolio Manager is unable to allocate the appropriate time or resources to the Company's investments, the Company may be unable to achieve its investment objectives. In addition, the Portfolio Management Agreement does not require the Portfolio Manager to dedicate specific personnel to the Company's business or to require personnel servicing the Company's business to allocate a specific amount of time to the Company.

The Company is also subject to the risk that the Portfolio Management Agreement may be terminated and that no suitable replacement will be found to provide portfolio management services to the Company. If the Portfolio Management Agreement is terminated and a suitable replacement is not secured in a timely manner or key personnel of the Portfolio Manager are not available to the Company with an appropriate time commitment, the ability of the Company to execute its investment objective and investment policy may be adversely affected. The obligations of the Portfolio Manager are not guaranteed by any other person.

Past performance is no indication of future results

The Company's performance may be volatile and investors could lose all or part of their investment. Past performance is no indication of future results and there can be no assurance that the Company will achieve results comparable to any past performance achieved by the Portfolio Manager or any Affiliate or any employee of the Portfolio Manager (as the case may be) described in this prospectus.

The Portfolio Management Agreement may be costly or difficult to terminate

The Portfolio Management Agreement was negotiated as part of the launch of the Company. In the absence of a cause event on the part of the Portfolio Manager triggering a right of early termination for the AIFM (which right of termination can only be exercised by the AIFM with the consent of the Company), the AIFM cannot give notice to terminate the Portfolio Management Agreement until the seventh anniversary of Admission, following which a 12 month notice period applies. This means that if the Company is dissatisfied with the performance of the Portfolio Manager it could be costly or difficult for the Portfolio Management Agreement to be terminated.

The existence of the performance fee may incentivise the Portfolio Manager's personnel to make or recommend risky investments

Pursuant to the Portfolio Management Agreement, the Company may become liable to pay the Portfolio Manager a performance fee the details of which are set out in Part IV of this prospectus. The existence of a performance fee is market standard but may create an incentive for the Portfolio Manager to recommend or make riskier or more speculative investments than it would otherwise make in the absence of such performance fee. Investors' attention is also drawn to the target return of the Company which may require the Company to invest in higher risk investments.

The Portfolio Manager and its Affiliates may be subject to conflicts of interest in respect of its activities on behalf of the Company

Various potential and actual conflicts of interest may exist from the overall investment activities of, (i) the Portfolio Manager, or its Affiliates, (ii) any director, officer or employee of such entities or (iii) any fund, or account or other entity for which the Portfolio Manager or any of its Affiliates

exercises discretionary voting authority on behalf of such fund, account or other entity, in each case investing for their own accounts or for the accounts of others in respect of investments in which the Company (or any Originator in which the Company invests) is also interested (collectively, "**Portfolio Manager Related Persons**"). In particular, affirmative obligations may exist or may arise in the future, whereby Affiliates of the Portfolio Manager are obliged to offer certain investments to funds or accounts that such Affiliates manage or advise before or without the Portfolio Manager offering those investments to the Company. In the event that a conflict of interest arises, the Portfolio Manager will attempt to resolve such conflict in a fair and equitable manner, however, investors should be aware that conflicts of interest will not necessarily be resolved in favour of the Company (or any Originator in which the Company invests). As a result, if conflicts were resolved in a manner perceived to be adverse to the Company (or any Originator in which the Company invests), this may have (directly or indirectly) a material adverse effect on the performance of the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Portfolio Manager Related Persons also currently serve as and expect to serve as, portfolio manager, investment manager or investment adviser for, act as a general partner to, or invest in or are affiliated with other entities which invest in, underwrite or originate structured credit investments. The Portfolio Manager does not owe fiduciary duties to the Company or the Shareholders. In addition, Portfolio Manager Related Persons may form or have a financial or operational interest in the management of one or more hedge funds or similar alternative investment vehicles which may be permitted to allocate a portion of their portfolios to high yield debt, bank loans and long-dated, illiquid, restricted or other similar securities and investment opportunities (including, without limitation, private equity investments, mezzanine investments and distressed investments). Thus, the Portfolio Manager may, at the same or approximately the same time, buy or sell for such clients debt obligations it also buys or sells for the Company. The occurrence of any such conflicts of interest could have a material adverse effect on the performance of the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Portfolio Manager Related Persons may invest in securities or obligations that would be appropriate as investments for the Company and may be buyers or sellers of credit protection that reference investments owned by the Company. The Portfolio Manager may also purchase debt obligations for other clients that are senior to, or have interests adverse to, those it buys or sells for the Company. As a result, Portfolio Manager Related Persons may possess information relating to investment counterparties which is not known to the individuals at the Portfolio Manager responsible for monitoring the investments of the Company and which might be relevant to an investment decision to be made by such individuals, and such individuals may initiate a transaction or sell an asset which, if such information had been known to it, might not have been undertaken. Due to these restrictions, the Company may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold, all of which could have a material adverse effect on the performance of the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Under the Portfolio Management Agreement, unless the Portfolio Manager determines that a purchase or sale is appropriate, the Portfolio Manager may refrain from causing the Company (or any Originator in which it may invest) to purchase or sell securities issued by persons about which any Portfolio Manager Related Persons has information which the Portfolio Manager deems confidential or non-public or otherwise might prohibit it from advising as to the trading of such securities in accordance with applicable law. As a result, the Company (or any Originator in which it may invest) may miss out on opportunities which could have resulted in greater returns on their investments. Due to these restrictions, the Company may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold, all of which could have a (direct or indirect) material adverse effect on the performance of the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The Portfolio Manager Related Persons may trade in securities for their own accounts, subject to restrictions and reporting requirements as may be required by law or the policies of the Portfolio Manager or its Affiliates. Conflicts of interest may arise between the Portfolio Manager Related Persons and the Company due to the fact that such Portfolio Manager Related Persons may hold an interest in the same and similar assets as those held by the Company. If such Portfolio

Manager Related Persons act in way which differs from the strategies and approaches of the Company, this could have a material adverse effect on the performance of the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The Portfolio Manager Related Persons may, among other things: (a) serve as directors, partners, officers, employees, agents, nominees or signatories for any Originator; (b) receive fees for services rendered to an Originator or any Affiliate thereof; (c) be a secured or unsecured creditor of, or hold an equity interest in, any Originator; (d) sell or terminate any investments to, or purchase or enter into any investments from, the Company while acting in the capacity of principal or agent; and (e) serve as a member of any ''creditors' board'' with respect to any investment included in the Company's portfolio which has become or may become a defaulted obligation. Services of this kind may lead to conflicts of interest with the Portfolio Manager Related Persons, and may lead individual officers or employees of the Portfolio Manager to act in a manner adverse to the Company. The occurrence of any such conflicts of interest could have a material adverse effect on the performance of the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

No provision in the Portfolio Management Agreement prevents the Portfolio Manager or any of its Affiliates from rendering services of any kind to any person or entity, including any Originator in which the Company may invest and its Affiliates. Although the professional staff of the Portfolio Manager will devote as much time to the Company as the Portfolio Manager deems appropriate to perform its duties in accordance with the Portfolio Management Agreement, the staff of the Portfolio Manager may have conflicts in allocating its time and services among the Company and the Portfolio Manager's other accounts. As a result, there may be a relatively lower performance by the Company as compared to a situation where the Portfolio Manager is exclusively dedicated to providing services to the Company which may have a material adverse effect on the performance of the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares. In addition, future services the Portfolio Manager and its Affiliates agree to provide as part of their business may create a conflict of interest with the Company (and/or any Originator in which it invests) that has a direct or indirect material adverse effect on the performance of the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Risks relating to regulation and taxation

The Company may be subject to losses on investments as a result of insolvency or clawback legislation and/or fraudulent conveyance findings by courts

Various laws enacted for the protection of debtors and stakeholders may apply to certain investments that are debt obligations, although the existence and applicability of such laws will vary between jurisdictions. For example, if a court were to find that an underlying obligor did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by an investment and the grant of any security interest securing such investment, and, after giving effect to such indebtedness, the underlying obligor: (i) was insolvent; (ii) was engaged in a business for which the assets remaining in such underlying obligor constituted unreasonably small capital; or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court may: (a) invalidate such indebtedness and such security interest as a fraudulent conveyance; (b) subordinate such indebtedness to existing or future creditors of the underlying obligor; or (c) recover amounts previously paid by the underlying obligor in satisfaction of such indebtedness or proceeds of such security interest previously applied in satisfaction of such indebtedness. In addition, if an underling obligor in whose debt the Company directly or indirectly has an investment becomes insolvent, any payment made on such investment may be subject to avoidance, cancellation and/or clawback as a ''preference'' if made within a certain period of time (which for example under some current laws may be as long as two years) before insolvency.

In general, if payments on an investment are voidable, whether as fraudulent conveyances, extortionate transactions or preferences, such payments may be recaptured either from the initial recipient or from subsequent transferees of such payments. The recapture of any such payments from the Company or from any entity in which the Company invests may have an adverse effect on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Investments issued by entities outside of the UK are exposed to local legal, economic, political, social and other risks

The Company intends to invest in investments issued by issuers, and referenced to collateral from underlying obligors, based primarily in Europe. The laws and regulations of various jurisdictions to which the Company may be exposed, may impose restrictions that would not exist in the UK. Investments in such entities have their own legal, economic, political, social, cultural, business, industrial and labour environment and may require significant government approvals under corporate, securities, exchange control, foreign investment and other similar laws and may require financing and structuring alternatives that differ significantly from those customarily used in the UK.

In addition, governments may from time to time impose restrictions intended to prevent capital flight, which may, for example, involve punitive taxation (including high withholding taxes) on certain securities or transfers or the imposition of exchange controls, making it difficult or impossible to exchange or repatriate foreign currency. These and other restrictions may make it impracticable for the Company to distribute the amounts realised from such investments at all or may force the Company to distribute such amounts other than in Euros or Sterling and therefore a portion of the distribution may be made in foreign securities or currency. It also may be difficult to obtain and enforce a judgment in a local court. No assurance can be given that a given political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the Company.

Changes in the Company's tax status or tax treatment may adversely affect the Company and if the Company becomes subject to the UK offshore fund rules there may be adverse tax consequences for certain UK resident Shareholders

Any change in the Company's tax status, or in taxation legislation or practice (in particular in relation to any obligation to withhold tax in respect of payments on investments) in either Guernsey or the United Kingdom or any jurisdiction in which relevant counterparties are held to be resident, or in the Company's tax treatment may affect the value of the investments held by the Company or the Company's ability to successfully pursue and achieve its investment objective and investment policy, or alter the after-tax returns to Shareholders. Statements in this prospectus concerning the taxation of Shareholders are based upon current United Kingdom, United States and Guernsey tax law and published practice, any aspect of which law and practice is, in principle, subject to change (potentially with retrospective effect) that may adversely affect the ability of the Company to successfully pursue its investment objective and investment policy and which may adversely affect the taxation of Shareholders or the Company.

Statements in this prospectus take into account, in particular, the UK offshore fund rules contained in Part 8 of the Taxation (International and Other Provisions) Act 2010. Should the Shares of the Company be regarded as being subject to the offshore fund rules this may have adverse tax consequences for certain UK resident Shareholders.

Potential investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effect of an investment in the Company.

If the Company becomes subject to tax on a net income basis in any tax jurisdiction, including Guernsey or the United Kingdom, the Company's financial condition and prospects could be materially and adversely affected

The Company intends to conduct its affairs so that it will not be treated as UK resident for taxation purposes, or as having a permanent establishment or otherwise being engaged in a trade or business, in the UK. The Company intends that it will not be subject to tax on a net income basis in any country. There can be no assurance, however, that the net income of the Company will not become subject to income tax in one or more countries, including Guernsey or the United Kingdom, as a result of unanticipated activities performed by the Company, adverse developments or changes in law, contrary conclusions by the relevant tax authorities, changes in the Directors' personal circumstances or management errors, or other causes. The imposition of any such unanticipated net income taxes could materially reduce the post-tax returns available for distributions on the Shares, and consequently may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

If any Originator becomes subject to tax on a net income basis in the United Kingdom, the Company's financial condition and prospects could be materially and adversely affected

It is intended that any Originators will conduct their affairs so that they will not be regarded as having a taxable presence in the United Kingdom.

A non-UK incorporated company will be subject to UK corporation tax if, broadly, it, (i) is tax resident in the UK, or (ii) carries on a trade in the UK through a permanent establishment ("**PE**"). A company which is tax resident in the UK is subject to UK corporation tax on all of its profits wherever they arise. A non-resident company which trades in the UK through a PE is only subject to corporation tax on the profit attributable to that PE.

It is intended that each Originator in which the Company will invest will be tax resident in Guernsey, or another subsidiary tax efficient jurisdiction and not in the UK. It is intended that this will be achieved by ensuring that it is "centrally managed and controlled" in Guernsey or another subsidiary tax efficient jurisdiction and not the UK.

It is intended that the Portfolio Manager will act as portfolio adviser to such Originators and, pursuant to such arrangement, certain UK based key personnel may be provided to an Originator in order to assist it with the day-to-day running and management of its business. There is a risk that if such Originator is "trading", it might be regarded as trading through a PE in the UK. It is not intended that any such Originators will trade. It is also not intended that the activities of any such Originator should amount to a trade for UK tax purposes. Although it is considered that this position in respect of central management and control and trading of any Originator will be sustainable, each will ultimately be a question of fact to be determined by reference to the actual circumstances.

If an Originator were to be regarded as centrally managed and controlled in the UK and so UK tax resident or if its activities carried on in the UK are regarded as trading then such Originator would be subject to UK corporation tax on all of its profit (if tax resident in the UK) or on the profit attributable to its PE in the UK (if it is not tax resident in the UK but trading in the UK through a PE), with "profit" in each case being determined by reference to UK tax principles.

The imposition of any such unanticipated taxes could materially reduce the post-tax returns available for distribution by an Originator to the Company and, by extension, the returns available for distribution on the Shares.

The proposed EU Commission Financial Transaction Tax may adversely affect the Company and any Originator

On 14 February 2013, the European Commission published a proposal for a Directive for a common financial transaction tax (the "**FTT**") in certain EU Member States.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating EU Member States. Generally, it would apply to financial transactions where at least one party is a financial institution and: (a) one party is established in a participating EU Member State; or (b) the financial instrument which is subject to the transaction is issued in a participating EU Member State. A financial institution may be, or be deemed to be, "established" in a participating EU Member State in a broad range of circumstances, including by transacting with a person established in a participating EU Member State. The FTT will be payable by each financial institution established or deemed established in a participating EU Member State which is either a party to the financial transaction, or acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, will become jointly and severally liable for the payment of the FTT due.

While the FTT proposal remains subject to negotiation between the EU Member States, and may therefore be altered, if adopted in its current proposed form any investments made by the Company and/or an Originator may be affected by the FTT and thus may have a direct or indirect adverse effect on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Prospective holders of Shares are strongly advised to seek their own professional advice in relation to the FTT.

Different regulatory, tax or other treatment of the Company or the Shares in different jurisdictions, or changes to such treatment in different jurisdictions, may adversely impact Shareholders in certain jurisdictions

For regulatory, tax and other purposes, the Company and the Shares may be treated in different ways in different jurisdictions. For instance, in certain jurisdictions and for certain purposes, the Shares may be treated as more akin to holding units in a collective investment scheme. Furthermore, in certain jurisdictions, the treatment of the Company and/or the Shares may be uncertain or subject to change, or it may differ depending on the availability of certain information or disclosure by the Company of that information. The Company may be subject, therefore, to financially and logistically onerous requirements to disclose any or all of such information or to prepare or disclose such information in a form or manner which satisfies the regulatory, tax or other authorities in certain jurisdictions. The Company may elect not to disclose such information or prepare such information in a form which satisfies such authorities. Therefore Shareholders in such jurisdictions may be unable to satisfy the regulatory requirements to which they are subject.

The investment activity to be undertaken by the Company may expose the Company to the risk of regulation affecting lending by non-bank institutions

The European Commission and other relevant authorities have stated that they are considering whether lending by non-bank institutions should, in itself, be a regulated activity and the Financial Stability Board has announced a consultation on the subject. Whilst there are no firm proposals currently on the legislative agenda, the future regulation of such lending activities by non-bank institutions cannot be ruled out. Any future regulation may have an impact on any Originator in which the Company may invest, which could be significant, in terms of compliance costs and, potentially, the restriction of its activities. Any such costs or restrictions may have an adverse effect on the performance of such Originator, and, by extension, on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

The AIFM Directive may prevent the marketing of the Shares (or any C Shares) in the EEA, which would be likely to adversely affect liquidity in the Shares and the ability of Shareholders to realise their investment

The Alternative Investment Fund Managers Directive (No. 2011/61/EU) ("**AIFM Directive**") was scheduled to be transposed into the national legislation of each EEA Member State on 22 July 2013. The AIFM Directive has been transposed into national legislation in the UK via The Alternative Investment Fund Managers Regulations 2013 (the "**UK AIFM Regulations**"). As at First Admission, the AIFM will act as the alternative investment fund manager of the Company.

The AIFM Directive only allows the marketing of non-EEA incorporated AIFs, such as the Company, by the AIFM or its agent under national private placement regimes where EEA Member States choose to retain private placement regimes.

In the UK, this includes an obligation for the AIFM to notify the FCA that it is the person responsible for complying with the implementing provisions relating to the marketing of the relevant company's shares and that the AIFM will comply with the relevant requirements of the AIFM Directive. The AIFM made such notification on 9 April 2015 and the Shares are therefore permitted to be marketed in the United Kingdom under the AIFM Directive. The FCA may suspend, or revoke, the AIFM's entitlement to market the Shares if it appears to the FCA that, amongst other things, one or more conditions confirmed in the FCA notification as being met are no longer satisfied. Suspension or revocation of the AIFM's entitlement to market the Shares could materially disrupt the business of the Company and could have a material adverse effect on the performance of the Company and returns to Shareholders.

Such marketing will also be subject to, *inter alia*, (a) the requirement that appropriate cooperation agreements are in place between the supervisory authorities of the relevant EEA Member States and the Commission, and (b) compliance by the AIFM with certain aspects of the AIFM Directive. As at the date of this prospectus, the Commission had signed bilateral cooperation agreements with 27 securities regulators from the EU and the wider EEA. It is intended that, over time, a passport will be phased in to allow the marketing of non-EEA incorporated alternative investment funds, such as the Company, into the EEA and that national private placement regimes will be phased out. Both the adoption of such a passport and the phasing out of national private placement regimes are subject to certain criteria and are not certain. Consequently, there may be future restrictions on, and a material increase in the compliance costs involved in, the active

marketing of the Shares in the EEA, which in turn may have a negative effect on the marketing and liquidity generally of the Shares.

Individual Shareholders may have conflicting investment, tax and other interests with respect to their investment in the Company.

Shareholders are expected to include taxable and tax-exempt entities and persons or entities organised and residing in various jurisdictions who may have conflicting investment, tax and other interests with respect to their investments in the Company. The conflicting interests of individual Shareholders may relate to, or arise from, among other things, the nature of investments made by the Company, the structuring of the acquisition of investments, the timing of disposition of investments and the manner in which income and capital generated by the Company is distributed to Shareholders. The structuring of investments and distributions may result in different returns being realised by different Shareholders. As a consequence, while the Directors will make decisions in the best interests of the Company, or a Class as a whole, these decisions may conflict with the individual interests of certain Shareholders. In selecting and structuring investments appropriate for the Company and in determining the manner in which distributions shall be made to Shareholders, the Directors and the Portfolio Manager will consider the investment and tax objectives of the Company and Shareholders as a whole, not the investment, tax or other objectives of any Shareholder individually, which may adversely affect the investment returns of individual Shareholders.

The Company's assets could be deemed to be ''plan assets'' that are subject to ERISA, the U.S. Code or substantially similar laws and potential investors' ability to invest in the Shares or to transfer any Shares that investors hold may be limited by certain ERISA, U.S. Code and other considerations

The Company intends to use commercially reasonable efforts to restrict the ownership and holding of the Shares so that none of its assets will constitute ''plan assets'' of any Benefit Plan Investor. However, no assurances can be given that such commercially reasonable efforts will be successful in restricting the ownership and holding of Shares such that none of the Company's assets will be deemed to be ''plan assets'' of any such Benefit Plan Investor. If the Company's assets were deemed to be ''plan assets'' subject to Part 4 of Title I of ERISA and/or Section 4975 of the U.S. Code, pursuant to the Plan Asset Regulations, then its investment decisions would be subject to the general fiduciary responsibility standards of Section 404 of ERISA and certain transactions that the Company may enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA and/or Section 4975 of the U.S. Code which might have to be rescinded and could result in the imposition of excise taxes. Governmental plans, certain church plans and non-U.S. plans, while not subject to Part 4 of Title I of ERISA or Section 4975 of the U.S. Code, may nevertheless be subject to other federal, state, local, non-U.S. or other laws or regulations that would have the same or similar effect as the Plan Asset Regulations so as to cause the Company's underlying assets to be treated as assets of an investing entity by virtue of its investment (or any beneficial interest) in the Company and thereby subject the Company (or other persons responsible for the investment and operation of the Company's assets) to laws or regulations that are similar to the fiduciary responsibility and/or prohibited transaction provisions contained in Part 4 of Title I of ERISA or Section 4975 of the U.S. Code. In addition to the decision to invest in the Company being subject to the ERISA fiduciary responsibility and/or prohibited transaction provisions, fiduciaries of plan's subject to Part 4 of Title I of ERISA could also be responsible for the investment decisions made by the Portfolio Manager during any period where the Portfolio Manager is not registered under the U.S. Investment Advisers Act of 1940, as amended.

These restrictions may make it more difficult to resell the Shares and may have an adverse effect on the market value of the Shares.

Certain payments to the Company and/or any Originator may in the future be subject to a 30 per cent. withholding tax unless the Company and/or any Originator agrees to certain reporting and withholding requirements and certain Shareholders will be required to provide the Company with required information so that the Company may comply with its obligations under FATCA

Under Sections 1471 through 1474 of the U.S. Internal Revenue Code (commonly referred to as ''**FATCA**''), ''Financial Institutions'' are required to use enhanced due diligence procedures to identify U.S. persons who have invested in either non-U.S. financial accounts or non-U.S. entities.

Pursuant to FATCA, certain payments of (or attributable to) U.S.-source income, and the proceeds of sales of property that give rise to U.S.-source payments, will be subject to a 30 per cent. withholding tax with effect from 1 July 2014 unless the Company and/or any Originator agree to certain reporting and withholding requirements ("**FACTA Withholding**").

The United States and Guernsey have entered into an intergovernmental agreement ("**U.S.-Guernsey IGA**") to implement FATCA. Under the terms of the U.S.-Guernsey IGA, the Company may be obliged to comply with the provisions of FATCA as enacted by the Guernsey legislation implementing the U.S.-Guernsey IGA (the "**Guernsey IGA Legislation**"), rather than directly complying with the U.S. Treasury Regulations implementing FATCA. Under the terms of the U.S.-Guernsey IGA, Guernsey resident entities that comply with the requirements of the Guernsey IGA Legislation will be treated as compliant with FATCA and, as a result, will not be subject to FATCA Withholding on payments they receive and will not be required to withhold under FATCA on payments they make.

The Company expects that it will be considered to be a Guernsey resident financial institution and therefore will be required to comply with the requirements of the Guernsey IGA Legislation.

Under the Guernsey IGA Legislation, the Company will be required to report to the Director of Income Tax in Guernsey certain holdings by and payments made to certain U.S. investors in the Company, as well as to non-U.S. financial institutions that are considered to be Non-Participating Financial Institutions for the purposes of the U.S.-Guernsey IGA. Under the terms of the U.S.-Guernsey IGA, such information will be onward reported by the Director of Income Tax to the United States under the United States-Guernsey Agreement for the Exchange of Information Relating to Taxes, as amended by the Protocol signed on 13 December 2013.

Further, even if the Company and/or any Originator is not characterised under FATCA as a Financial Institution, it nevertheless may become subject to FACTA Withholding on certain U.S.-source payments to it unless it either provides information to withholding agents with respect to its U.S. Controlling Persons or certifies that it has no such U.S. Controlling Persons.

As a result, Shareholders may be required to provide information that the Company determines necessary in order to allow the Company to satisfy its obligations under FATCA.

Additional intergovernmental agreements similar to the U.S.-Guernsey IGA have been entered into or are under discussion by other jurisdictions with the United States. Different rules than those described above may apply depending on whether a payee is resident in a jurisdiction that has entered into an intergovernmental agreement to implement FATCA.

In addition to the U.S.-Guernsey IGA, Guernsey and the United Kingdom have entered into an inter-governmental agreement ("**UK-Guernsey IGA**") for the implementation of information exchange arrangements based on FATCA, whereby relevant financial information in respect of accounts maintained in Guernsey for certain persons who are, or being entities are controlled by one or more, residents of in the UK for tax purposes will be reported to the Director of Income Tax Guernsey for onward reporting to HMRC. Under the UK-Guernsey IGA, the Company may be required to provide information to the Guernsey authorities about investors and their interests in the Company in order to fully discharge its reporting obligations and, in the event of any failure or inability to comply with the proposed arrangements, may suffer a financial penalty or other sanction under Guernsey law.

The scope and application of FATCA Withholding and information reporting pursuant to the terms of FATCA and the IGAs are subject to review by the United States, the United Kingdom, Guernsey and other IGA governments, and the rules may change. Although the UK-Guernsey IGA and U.S.-Guernsey IGA have been ratified by the States of Guernsey, guidance published to date has been in draft format only and therefore, while the Company intends to comply with applicable law, it cannot be predicted at this time what the full impact on the Company and the Company's reporting responsibilities pursuant to the UK-Guernsey IGA and U.S.-Guernsey IGA will be. Shareholders should consult with their own tax advisers regarding the application of FATCA to their particular circumstances.

The Company believes it will be a passive foreign investment company for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. Holders of Shares

A non-U.S. corporation generally will be classified as a "passive foreign investment company" ("**PFIC**") for U.S. federal income tax purposes for any taxable year if either (i) 75 per cent. or

more of its gross income for such year consists of certain types of ''passive'' income or (ii) 50 per cent. or more of the value of its assets (determined on the basis of a quarterly average) during such year produce or are held for the production of passive income. For this purpose, (i) ''passive income'' generally includes, among other items of income, dividends, interest, royalties, rents and gains from commodities and securities transactions and from the sale or exchange of property that gives rise to passive income, and (ii) a non-U.S. corporation is treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which such non-U.S. corporation owns, directly or indirectly, more than 25 per cent. (by value) of such other corporation's stock. Based on the Company's projected income, assets and activities, the Company expects that it will be treated as a PFIC for the current taxable year and taxable years thereafter. Accordingly, a U.S. Holder would be subject to substantially increased U.S. federal income tax liability, including upon the receipt of any ''excess distributions'' from the Company and upon the sale or other disposition of the Shares. Although certain elections may be available to mitigate the adverse impact of the PFIC rules, such elections may result in a current U.S. federal tax liability prior to any distribution on or disposition of the Shares. Accordingly, the acquisition of Shares may not be a suitable investment for U.S. Holders (other than U.S. Holders that are tax-exempt organisations). U.S. Holders should consult their tax advisers regarding the application of the PFIC rules to an investment in Shares.

The Dodd-Frank Wall Street Reform and Consumer Protection Act may expose the Portfolio Manager and/or the Company to increased regulatory costs

Following the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the ''**Dodd-Frank Act**'') in the United States, there has been extensive rulemaking and regulatory changes affecting fund managers, the funds that they manage and the financial industry as a whole. Under the Dodd-Frank Act, the U.S. Securities and Exchange Commission (the ''**SEC**'') has mandated new recordkeeping and reporting requirements for investment advisers, which may add costs to the legal, operations and compliance obligations of the Portfolio Manager and increase the amount of time that the Portfolio Manager spends on non-investment related activities. The Dodd-Frank Act may affect a broad range of market participants with whom the Company interacts or may interact, including commercial banks, investment banks, other non-bank financial institutions and rating agencies. Further regulatory changes that will affect other market participants are likely to change the way in which the Portfolio Manager conducts business with its counterparties. Parts of the Dodd-Frank Act, such as the ''Push-Out Provision'' (regarding restrictions on banks' derivatives trading activities) have changed the landscape of the financial industry. It may take several years to understand the impact of the Dodd-Frank Act on the financial industry as a whole, and therefore, such continued uncertainty may make markets more volatile, and it may be more difficult for the Portfolio Manager to execute the investment objective and investment policy of 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 such Shares may be subject to certain restrictions

Under Section 619 of the Dodd-Frank Act and the corresponding implementing rules (the ''**Volcker Rule**''), relevant banking entities are generally prohibited from, among other things, acquiring or retaining ownership interests in, or acting as sponsor in respect of, certain investment entities referred to as covered funds. In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain credit exposure related transactions with covered funds. Full conformance with the Volcker Rule is required by 21 July 2015, and relevant banking entities are required to engage in good faith efforts in this regard during the current conformance period. In general, there is limited interpretive guidance regarding the Volcker Rule.

Key terms are defined broadly under the Volcker Rule, including ''banking entity''. In particular, ''banking entity'' is defined to include certain non-U.S. affiliates of U.S. banking entities. In the event that an investor is deemed to be a ''banking entity'' and the Company is deemed to be a ''covered fund'' for the purposes of the Volcker Rule, an investor's ownership of the Shares may be subject to investment restrictions. If so, the investor may be required to divest the Shares by the end of the conformance period. Depending on market conditions and other factors, if an investor is required to liquidate its investment in the Shares during the conformance period, it may suffer a loss from the price at which it purchased the Shares.

Limited regulatory oversight in the United States of America of the AIFM

The AIFM has been engaged as the alternative investment fund manager of the Company and has delegated the portfolio management of the Company to the Portfolio Manager whilst retaining responsibility for risk management functions for the Company. Whilst the Portfolio Manager is registered under the United States Investment Advisers Act of 1940, as amended (the "**U.S. Advisers Act**") the AIFM is not registered under the U.S. Advisers Act or its state counterparts. Accordingly, the provisions of the U.S. Advisers Act which, among other things, require that the registered adviser use a "qualified custodian" to custody customer funds and securities, designate a chief compliance officer, adopt a compliance manual and a code of ethics, provide investors with specified disclosures (on Form ADV), and be subject to SEC oversight, will not be applicable to the AIFM. The Company is not registered as an "investment company" under the U.S. Investment Company Act, as amended, which provides certain protections to shareholders and imposes certain restrictions on registered investment companies, none of which will be applicable to the Company. Consequently, the Shareholders will not benefit from certain of the protections afforded by such statutes. In the event that the AIFM is required to register as an investment adviser with the SEC and such registration would have an impact on the Company, which could be significant, in terms of compliance costs and, potentially, the restriction of its activities, any such costs or restrictions would be likely to have an adverse effect on the performance of the Company, the NAV and the value of the Shares.

IMPORTANT NOTICES

General

In assessing an investment in the Company, investors should rely only on the information in this prospectus. No person has been authorised to give any information or make any representations in relation to the Company other than those contained in this prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Directors, the AIFM, the Portfolio Manager, Dexion or any other person. Neither the delivery of this prospectus nor any subscription or purchase of Shares made pursuant to this prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Dexion by FSMA or the regulatory regime established thereunder, Dexion accepts no responsibility whatsoever for the contents of this prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the AIFM, the Portfolio Manager, the Shares, the Initial Placing, the Placing Programme or the Liquidation Scheme (including the issue of Roll-over Shares). Dexion accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of such prospectus or any such statement.

The distribution of this prospectus in jurisdictions other than the United Kingdom may be restricted by law and persons into whose possession this prospectus comes should inform themselves about and observe any such 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 in connection with any applications for Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction. Save for the UK, 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 other than in any jurisdiction where action for that purpose is required.

The Shares are being offered and issued outside the United States in reliance on Regulation S and to persons located inside the United States to persons reasonably believed to be Qualified Institutional Buyers. The Shares have not been nor will they be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Company has not registered and will not register under the U.S. Investment Company Act. The Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering or the issue of the Shares or the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offence in the United States and the re-offer or resale of any of the Shares in the United States may constitute a violation of U.S. law.

The Portfolio Manager has registered with the Commodity Futures Trading Commission ("**CFTC**") as a commodity pool operator ("**CPO**") with respect to the operation of the Company. The Portfolio Manager, claims an exemption under CFTC Rule 4.7 from certain regulatory requirements with respect to the Company (which are intended to provide certain regulatory safeguards to investors). The registration of the Portfolio Manager with the CFTC is not an indication that the CFTC has recommended or approved the Portfolio Manager as the commodity pool operator of the Company.

In connection with the Initial Placing and any subsequent placing under the Placing Programme, Dexion and any of its Affiliates acting as an investor for its or their own account(s), may subscribe for Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or

other related investments in connection with the Initial Placing and any subsequent placing under the Placing Programme or otherwise. Accordingly, references in this prospectus to the Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, Dexion and any of its Affiliates acting as an investor for its or their own account(s). Neither Dexion 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.

Presentation of information

Market, economic and industry data

Market, economic and industry data used throughout this prospectus is sourced from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Currency presentation

Unless otherwise indicated, all references in this prospectus to ''Sterling'', ''Pounds Sterling'', ''£'' or ''pence'' are to the lawful currency of the UK; all references to ''dollars'', ''cents'' ''$'' and ''US$'' are to the lawful currency of the United States of America; and all references to ''Euros'' ''Eurocents'' and ''€'' are to the lawful currency of the participating member states of the Eurozone.

Definitions

A list of defined terms used in this prospectus is set out at pages 155 to 162.

Governing law

Unless otherwise stated, statements made in this prospectus are based on the law and practice currently in force in England and Wales, the Island of Guernsey or the United States (as appropriate) and are subject to changes therein.

Investment considerations

The contents of this prospectus are not to be construed as advice relating to legal, financial, taxation, investment or any other matters. Prospective investors should inform themselves as to:

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

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

This prospectus should be read in its entirety before making any investment in the Shares. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Memorandum and Articles, which investors should review.

Concert Party

Potential investors' attention is drawn to the possibility that the Concert Party could, by the operation of the discount management policy, come to hold Shares carrying more than 50 per cent. of the voting rights of the Company. In this event, members of the Concert Party will be able to acquire interests in further Shares without incurring any further obligation under Rule 9 to make a general offer, although individual members of a Concert Party will not be able to increase their percentage interests in Shares through or between a Rule 9 threshold without Panel consent.

For further information relating to the Concert Party please see the section entitled "**Concert Party**" in Part I of this prospectus.

Website

The contents of the Company's website www.torolimited.gg do not form part of this prospectus. Investors should base their decision whether or not to invest in the Shares on the contents of this prospectus alone.

Reference to credit ratings (Regulation (EC) No 1060/2008)

The credit rating agencies providing ratings to securities referred to in this prospectus (if any) are each established in the EU and registered under Regulation (EC) No. 1060/2008 (as amended). As such each such credit rating agency is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulations.

For the attention of prospective investors in the EEA

In relation to each member state of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), no Shares have been offered or will be offered pursuant to the Initial Placing or the Placing Programme 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)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any offer of Shares in any Relevant Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and the amendments thereto, including 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.

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

For the attention of prospective investors in the Bailiwick of Guernsey

The Company is a Registered Closed-ended Collective Investment Scheme registered pursuant to The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules 2015 issued by the Commission. The Commission, in granting registration, has not reviewed this prospectus but has relied upon specific warranties provided by the Administrator, the Company's designated administrator.

Neither the Commission nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

If potential investors are in any doubt about the contents of this prospectus they should consult their accountant, legal or professional adviser or other financial adviser.

IMPORTANT INFORMATION FOR INVESTORS IN SWITZERLAND

The Company is considered a foreign investment schemes pursuant to Art. 119 of the Swiss Federal Collective Investment Schemes Act ("**CISA**"). No application has been submitted to the Federal Financial Market Supervisory Authority ("**FINMA**") to obtain approval within the meaning of Art. 120 CISA to publicly advertise, offer or distribute the investment in or from Switzerland, and no other steps have been taken in this direction. As a result, the investment is not registered with FINMA. Any offer or sale must therefore be in strict compliance with Swiss law, and in particular with the provisions of the Collective Investment Schemes Act and its implementing ordinances, and FINMA circular 2013/9 on distribution of collective investment schemes. Pursuant to the Collective Investment Schemes Act and its implementing ordinances, the units may not be offered, marketed or distributed to the public in or from Switzerland, but only to qualified investors according to art. 10 sections 3, 3bis and 3ter CISA.

Swiss Representative

Oligo Swiss Fund Services SA, Av. Villamont 17, 1005 Lausanne, Switzerland has been appointed as Swiss Representative of the Company.

Paying Agent in Switzerland

Banque Cantonale de Genève, 17 quai de l'ile, 1204 Geneva, Switzerland has been appointed as Paying Agent of the Company in Switzerland.

Place where the relevant documents may be obtained

Any documentation relating to the Company, including this prospectus, the Articles of Incorporation and annual reports issued by the Company from time to time may be obtained free of charge from the Swiss Representative in Lausanne.

Retrocessions

Retrocessions are deemed to be payments and other soft commissions paid by the Portfolio Manager and its representatives for distribution activities in respect of Shares. Retrocessions are normally paid from the management fee and/or the distribution fee, and on the basis of a written contract.

In respect of distribution in Switzerland, the granting of retrocessions is permitted, irrespective of the contractual relationship between the recipient of the retrocession and the investor (asset management agreement, advisory agreement, execution only) and irrespective of whether the service qualifies as distribution or is not deemed to be distribution pursuant to Art. 3 CISA.

In respect of distribution in Switzerland, the Company could pay retrocessions for distribution activities to distributors or distribution partners.

Rebates

For the purposes of Swiss regulatory requirements, rebates are defined as payments by the Portfolio Manager and its representatives directly to investors from a fee or cost charged to the Company with the purpose of reducing the said fee or cost to a contractually agreed amount.

The Company is not paying any rebates to investors.

Place of execution and jurisdiction

The place of execution and jurisdiction for any disputes relating to the distribution of Shares in Switzerland shall be the registered office of the Swiss Representative in Switzerland.

For the attention of prospective investors in the United States

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**") as an investment company and investors will not be entitled to the benefits of registration.

The Shares are being offered and sold, (i) outside the United States in reliance on Regulation S under the U.S. Securities Act, and (ii) inside the United States to a limited number of institutional investors that are reasonably believed to be qualified institutional buyers ("**Qualified Institutional Buyers**" or "**QIBs**") as defined in Rule 144A under the U.S. Securities Act who are also qualified purchasers ("**Qualified Purchasers**" or "**QPs**") as defined in the U.S. Investment Company Act and qualified eligible persons ("**Qualified Eligible Persons**" or "**QEPs**") under the U.S. Commodity Exchange Act, as amended ("**U.S. Commodity Exchange Act**").

In addition, prospective investors should note that, except with the express written consent of the Company given in respect of an investment in the Company, 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 Part 4 of Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"); (B) a "plan" as defined in and subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**U.S. Code**"), including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Code; (C) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements by reason of any such plans' investment in the entity; or (D) 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 Part 4 of Title I of ERISA or Section 4975 of the U.S. Code, unless its purchase, holding, and disposition of the Shares will neither constitute nor result in a non-exempt violation of any such substantially similar law, nor cause the assets of the Company to be deemed to constitute "plan assets" of any Benefit Plan Investor.

Forward-looking statements

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

This prospectus contains information about the performance of investments previously made by members of the Chenavari Financial Group, including the Portfolio Manager, and certain funds, including in particular Toro Capital I, managed by members of the Chenavari Financial Group, including the Portfolio Manager. While these funds are externally audited and subject to professional external administration, the information extracted in this prospectus, except where shown, has not been audited or verified by an independent party. Past performance is not a reliable indicator of future performance and the Company may not achieve the same level of returns as those achieved by previous investments. Target returns are estimated only and net of fees, expenses and income reinvested. They are based on long-term performance projections of the investment strategy and market conditions at the time of modeling and therefore, subject to change. There is no guarantee that any target returns can be achieved. Investors should not place reliance on such target returns in deciding whether to invest in the Company.

In addition, even if the investment performance, results of operations, financial condition of the Company and any Originator, and the development of its respective investment strategy and financing strategies are consistent with the forward-looking statements contained in this prospectus, those results or developments may not be indicative of results or developments 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 objectives and return targets for investors;
- the ability to an Originator to invest the cash on its balance sheet on a timely basis within the investment objectives and investment policy;
- foreign exchange mismatches with respect to exposed assets;
- changes in the interest rates (including negative interest rate scenarios) and/or credit spreads, as well as the success of the Company's and an Originator's investment strategy in relation to such changes and the management of uninvested funds;
- impairments in the value of the investments;
- the availability and cost of capital for future investments;
- the departure of key personnel employed by the Portfolio Manager;
- changes in law or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the Company or an Originator; and
- general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events.

Prospective investors should specifically consider the factors identified in this prospectus which could cause actual results to differ from those expressed or implied in any forward-looking statements before making an investment decision.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this prospectus. Subject to its legal and regulatory obligations, the Company expressly disclaims any obligation to update or revise any forward-looking statement contained herein to reflect changes in expectations with regard thereto or any change in events, conditions, or circumstances on which any statement is based, unless required to do so by law or any appropriate regulatory authority, including FSMA, the London Stock Exchange, the Prospectus Rules and the Disclosure and Transparency Rules, the Registered Collective Investment Scheme Rules 2015, the CISEA Listing Rules and the Guernsey Prospectus Rules 2008.

Nothing in the preceding four paragraphs should be taken as limiting the working capital statement in paragraph 9 of Part IX of this prospectus.

VOLUNTARY COMPLIANCE WITH THE LISTING RULES OF THE UKLA

Application will be made to the London Stock Exchange for all of the Roll-over Shares, the Issue Shares and the Shares issued pursuant to the Placing Programme to be admitted to trading on the Specialist Fund Market and to listing and trading on the official list of the CISEA. It is expected that First Admission will become effective and that dealings will commence at 8.00 a.m. on 8 May 2015. As such, the Listing Rules applicable to closed-ended investment companies which are listed on the premium listing segment of the Official List of the UKLA will not apply to the Company.

The Company will be subject to the admission and disclosure standards of the London Stock Exchange whilst traded on the Specialist Fund Market. In addition the listing rules applicable to all investment companies whose shares are listed and admitted to trading on the CISEA will apply to the Company. Moreover, the Directors have resolved that, as a matter of good corporate governance, the Company will voluntarily comply with the following provisions of the Listing Rules should First Admission be granted:

- The Company is not required to comply with the Listing Principles and/or the Premium Listing Principles set out at Chapter 7 of the Listing Rules. Nonetheless, it is the intention of the Company to comply with the Listing Principles and the Premium Listing Principles from First Admission.
- The Company is not required to appoint a listing sponsor under Chapter 8 of the Listing Rules. It has appointed Dexion as financial adviser and sole bookrunner to guide the Company in understanding and meeting its responsibilities in connection with First Admission and also for compliance with Chapter 10 of the Listing Rules (as and when applicable) relating to significant transactions, with which the Company intends to voluntarily comply.
- The Company is not required to comply with the provisions of Chapter 9 of the Listing Rules regarding continuing obligations. The Company intends however to comply with the following provisions of Chapter 9 of the Listing Rules from First Admission: (i) Listing Rule 9.2.7 to Listing Rule 9.2.10 (Compliance with the Model Code); (ii) Listing Rule 9.3 (Continuing obligations: holders); (iii) Listing Rule 9.5 (Transactions); (iv) Listing Rule 9.6.4 to Listing Rule 9.6.21 other than Listing Rule 9.6.19(2) and Listing Rule 9.6.19(3) (which are not relevant) (Notifications); (v) Listing Rule 9.7A (Preliminary statement of annual results and statement of dividends); and (vi) Listing Rule 9.8 (Annual financial report).
- The Company is not required to comply with the provisions of Chapter 11 of the Listing Rules regarding related party transactions. Nonetheless, the Company has adopted the following related party policy (in relation to which Dexion, as financial adviser, will guide the Company). The policy shall apply to any transaction which it may enter into with:

  (i) any ''substantial shareholder'' (as defined in Listing Rule 11.1.4A) (other than: (a) related party transactions with ''substantial shareholders'' under Listing Rule 11.1.5(2) regarding co-investments or joint provision of finance; or (b) issues of new securities in, or a sale of treasury shares of, the Company to ''substantial shareholders'' on terms which are more widely available, for example as part of an offer to the public or a placing to institutional investors);

  (ii) any Director;

  (iii) the Portfolio Manager and any other member of the Chenavari Financial Group; and

  (iv) any Affiliates of such persons,

  where (in each case) such transaction would constitute a ''related party transaction'' as defined in Chapter 11 of the Listing Rules. In accordance with its related party policy, the Company shall deal with such related party transactions, to the extent reasonably practicable, in accordance with Chapter 11 of the Listing Rules with appropriate modifications in relation to Chapter 11 requirements to provide information, confirmation and undertakings to the FCA. For the purposes of the related party policy, the following shall not be subject to the Company's voluntary compliance with the Listing Rules:

  (i) any acquisition of further assets by the Company directly or indirectly from Toro Capital I before or after First Admission including via any acquisition of assets previously held by Toro Capital I financed by funds managed by the Chenavari Financial Group;

(ii) any investments which are made by the Company via investment in a conduit special purpose vehicle which is sponsored by a member of the Chenavari Financial Group, provided that the Chenavari Financial Group receives no additional material financial benefit through the use of such conduit special purpose vehicle; and

(iii) the entry into of an agreement between the Company and a member of the Chenavari Financial Group under which such entity shall act as alternative investment fund manager of the Company in substitution for the AIFM, provide that such substitution does not involve, (i) an increase in the aggregate fees payable by the Company for the AIFM and portfolio management services provided to the Company as at the date such substitution takes place, or (ii) a change to the material terms of appointment for such substitute alternative investment fund manager.

- The Company is not required to comply with the provisions of Chapter 12 of the Listing Rules regarding market repurchases by the Company of its Shares. Nonetheless, the Company has adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2, as more particularly described in the section headed ''Discount control'' in Part I of this prospectus.
- The Company is not required to comply with the provisions of Chapter 13 of the Listing Rules regarding contents of circulars. The Company intends however to comply with the following provisions of Chapter 13 of the Listing Rules from First Admission: (i) Listing Rule 13.3 (Contents of all circulars); (ii) Listing Rule 13.4 (Class 1 circulars); (iii) Listing Rule 13.5 (Financial information in class 1 circulars); (iv) Listing Rule 13.7 (Circulars about purchase of own equity shares); and (v) Listing Rule 13.8 (Other circulars).
- The Company is not required to comply with the provisions of Chapter 15 of the Listing Rules (Closed-Ended Investment Funds: Premium listing). Nonetheless, the Company intends to comply with the following provisions of Chapter 15 of the Listing Rules from First Admission: (i) Listing Rule 15.4.2 to Listing Rule 15.4.11 (Continuing obligations); (ii) Listing Rule 15.5 (Transactions); and (iii) Listing Rule 15.6 (Notifications and periodic financial information).

The Company will voluntarily comply with the Model Code for directors' dealings contained in Chapter 9 of the Listing Rules (the ''**Model Code**''). The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors.

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

EXPECTED TIMETABLE

Publication of this prospectus and opening of the Issue	28 April 2015
Latest time and date for placing commitments under the Initial Placing	3.00 p.m. on 1 May 2015
Latest time and date for receipt of subscriptions under the U.S. Subscription	10.00 a.m. on 5 May 2015
Effective Date for implementation of the Liquidation Scheme, the transfer of the Seed Assets and the unconditional issue of the Roll-over Shares	5 May 2015
Results of the Issue and number of Roll-over Shares to be issued announced	6 May 2015
First Admission and dealings in Shares commences	8.00 a.m. on 8 May 2015
CREST accounts credited in respect of the Issue Shares	8 May 2015
Share certificates despatched in respect of the Shares	week commencing 18 May 2015 (or as soon as possible thereafter)
Placing Programme ends	27 April 2016

The dates and times specified are subject to change and will be notified by the Company through a Regulatory Information Service. All references to times in this prospectus are to London times unless otherwise stated.

ISSUE STATISTICS

Share Class	Issue Price	Expected opening NAV per Share
Sterling Shares	£1.00	£0.98
Euro Shares	€1.00	€0.98
Target Net Proceeds on First Admission		In excess of €300 million*

* *The final number of Roll-over Shares and/or Issue Shares to be issued pursuant to the Liquidation Scheme and/or the Issue respectively, and therefore the final Net Proceeds, is not known at the date of this prospectus but will be notified by the Company through a Regulatory Information Service prior to First Admission.*

DEALING CODES

The dealing codes for the Shares will be as follows:

Share Class	ISIN	SEDOL	Ticker
Euro Shares	GG00BWBSDM98	BWBSDM9	TORO
Sterling Shares	GG00BWBSDH46	BWBSDH4	TORG

DIRECTORS, MANAGEMENT AND ADVISERS

Directors
Frederic Hervouet *(Non-executive chairman)*
John Whittle *(Non-executive director)*
Roberto Silvotti *(Non-executive director)*

all of

Registered Office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey
GY4 6RT

AIFM
Carne Global AIFM Solutions (C.I.) Limited
8th Floor
Union House
Union Street
St Helier
Jersey
JE2 3RF

Portfolio Manager
Chenavari Credit Partners LLP
1 Grosvenor Place
London
SW1X 7JH

Sole Bookrunner and Financial Adviser
Dexion Capital plc
1 Tudor Street
London
EC4Y 0AH

Solicitors to the Company (as to English law)
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4 More London Riverside
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SE1 2AU

Solicitors to the Company (as to United States law)
Reed Smith LLP
The Broadgate Tower
20 Primrose Street
London
EC2A 2RS

Advocates to the Company (as to Guernsey law)
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1 Le Marchant Street
St Peter Port
Guernsey
GY1 4HP

CISEA Sponsor, Administrator and Company Secretary
Morgan Sharpe Administration Limited
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey
GY4 6RT

Solicitors to the Sole Bookrunner and Financial Adviser
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90 High Holborn
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Sub-Administrator
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Reporting Accountant and Auditor
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Registrar
Capita Registrars (Guernsey) Limited
Bulwer Avenue
St Sampson
Guernsey
GY2 4LH

Swiss Representative
Oligo Swiss Fund Services SA
Av. Villamont 17
1005 Lausanne
Switzerland

Swiss Paying Agent
Banque Cantonale de Genève
17 Quai de l'ile
1204 Geneva
Switzerland

PART I

INFORMATION ON THE COMPANY

Introduction

The Company is a newly-incorporated investment company that will seek to deliver an absolute return from, investing and trading in, Asset Backed Securities and other structured credit investments in liquid markets, and investing, directly or indirectly, in asset backed transactions including, without limitation, through the origination of credit portfolios. The Company is a Registered Closed-ended Collective Investment Scheme limited by shares and was incorporated in Guernsey under the Companies Law on 2 March 2015, with registered number 59940.

The Company has appointed Carne Global AIFM Solutions (C.I.) Limited as its external AIFM. The AIFM has delegated portfolio management to Chenavari Credit Partners LLP, a member of the Chenavari Financial Group, as the external Portfolio Manager to the Company. However, the Board will actively and continuously supervise both the AIFM and the Portfolio Manager in the performance of their respective functions.

The Directors consider that the Company benefits from the following competitive advantages of the Portfolio Manager:

Credit specialists

- A primary focus on fixed income credit, and the aim of benefiting from selected opportunities within European bank deleveraging opportunities and financial dislocation.
- An extensive bench of fundamental and quantitative analysts, enabling a comprehensive analysis of the underlying collateral subsets.
- An extensive network of embedded industry relationships derived from a long history of credit investing.

Fully integrated experienced specialist teams

- The Portfolio Manager has specialist, experienced teams of portfolio managers and analysts for each strategy, all teams are fully integrated with one another and have a focus on fundamental research.
- Team members have an average 17 years investment experience, in European investment banks, in different multi-jurisdictional European markets, most working together in the past.

Solid leadership and partnering with investors

- The founder of the Portfolio Manager, Loïc Fery, was formerly Global Head of Credit Markets at Calyon.
- Key portfolio managers are partners in the firm.
- The Portfolio Manager is wholly owned by its partners and key employees.
- Alignment of interests from co-investment in funds, deferred compensation and fund structures.

Sustained alpha generation

- Attractive and consistent risk-adjusted returns since inception.
- A focus on achieving absolute returns, idiosyncratic opportunities, with low market correlation and a high margin of safety.
- Downside protection as demonstrated by its track record throughout a volatile period.

Disciplined and independent risk management team

- An eight person independent risk management team of ex-traders and quantitative analysts.
- A strict risk framework involving on-going monitoring of capital consumption, credit spread sensitivity and leverage.
- In-house proprietary risk management and monitoring tools.
- A focus on timely, comprehensive and transparent risk management systems.

The Company will seek to build and expand upon the successful investment strategy pursued by Toro Capital I. Toro Capital I (though its sub-funds Toro Capital I-A and I-B) is an open-ended

Luxembourg investment fund, managed by Chenavari Credit Partners LLP, which has, since its launch in 2009, invested and actively traded in a portfolio of ABS investment opportunities that principally arose from the 2008 global financial crisis, when banks were seeking to liquidate large ABS positions originated prior to 2007. Toro Capital I has been closed to new investment since the end of March 2011 in order to maximise returns for existing investors in the fund. As of 31 March 2015, Toro Capital I had assets under management of €474,609,426.47 (unaudited).

New Issue Shares are available to investors through the Initial Placing by Dexion and via the U.S. Subscription. Further details of the Issue are set out in Part V of this prospectus.

In parallel to the launch of the Company, the existing investors in Toro Capital I will vote on the terms of a voluntary liquidation of Toro Capital I (the "**Liquidation Scheme**"). Subject to the approval of the Liquidation Scheme and the commencement of the liquidation, Toro Capital I shareholders voting in favour of the Liquidation Scheme (the "**Assenting Toro Capital Shareholders**") will, on the Effective Date, be unconditionally issued Roll-over Shares in the Company as an *in specie* distribution of the liquidation proceeds to which they are entitled and as directed by the Liquidator. In consideration for the issuance of the Roll-over Shares, on or around the Effective Date, the Liquidator and the Company will enter into the Transfer Agreement under which the Liquidator will transfer to the Company on the Effective Date the beneficial interest in a portfolio of predominantly secondary market ABS investments and cash (the "**Seed Assets**") with a value approximately equal to the aggregate net asset value of the Toro Capital I shares held by the Assenting Toro Capital Shareholders as at 30 April 2015 (the "**Valuation Date**"). The Seed Assets will be a broadly proportionate vertical slice of the asset portfolio of Toro Capital I as at the Valuation Date. In addition to the transfer of the Seed Assets, pursuant to the terms of the Transfer Agreement, the Liquidator will, conditionally upon First Admission, grant the Company a right to acquire further assets from the Toro Capital I portfolio for cash.

Further information in relation to Toro Capital I and its asset portfolio, together with the Liquidation Scheme, are set out below and in Part III of this prospectus.

Application will be made to the London Stock Exchange for all of the Roll-over Shares and Issue Shares to be admitted to trading on the Specialist Fund Market and to listing and trading on the official list of the CISEA. It is expected that First Admission will become effective and that dealings will commence at 8.00 a.m. on 8 May 2015. The Specialist Fund Market is an EU regulated market.

The target Net Proceeds are in excess of €300 million.[1]

Investment objective

The investment objective of the Company is to deliver an absolute return from, investing and trading in Asset Backed Securities and other structured credit investments in liquid markets, and investing directly or indirectly in asset backed transactions including, without limitation, through the origination of credit portfolios.

Target returns and dividend policy[2]

On the basis of market conditions as at the date of this prospectus, and whilst not forming part of its investment objective or investment policy, the Company will target (i) a NAV total return (including dividend payments) of 12 to 15 per cent. per annum over three to five years once the Company is fully invested and (ii) a dividend of 5 per cent. per annum payable quarterly in March, June, September and December of each year. The Company will target a first dividend payment in respect of the period from First Admission to 30 September 2015 of at least 1.2 per cent. of the Issue Price per Share. The point at which full investment is reached shall take into consideration cash amounts required for working capital purposes (including in particular a cash reserve for meeting any required margin calls on derivative positions), or for the payment of dividends in accordance with the Company's dividend policy and for settling transactions contractually agreed.

Payment of dividends shall at all times be subject to compliance with the Companies Law and the satisfaction of the solvency test set out therein.

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1 The final number of Roll-over Shares and/or Issue Shares to be issued pursuant to the Liquidation Scheme and/or the Issue respectively, and therefore the final Net Proceeds, is not known at the date of this prospectus but will be notified by the Company through a Regulatory Information Service prior to First Admission.

2 Investors should note that the figures in relation to target dividends and NAV total return set out above are for illustrative purposes only and are not intended to be, and should not be taken as, a profit forecast or estimate.

Investment policy

General

The Company will seek to invest in a diversified portfolio of exposures to predominantly European based obligors. The Company's investment strategies will be:

The Opportunistic Credit Strategy – the Company will opportunistically invest or trade in primary and secondary market Asset Backed Securities and other structured credit investments including private asset backed finance investments.

The Originated Transactions Strategy – the Company will invest in transactions on a buy-to-hold basis, via a variety of means, including, without limitation, Warehouse Credit Facilities, which can originate credits that may be refinanced in structured credit markets as well as other financing opportunities.

Originated transactions

The Company intends to invest in Originators which establish securitisation vehicles and retain the requisite Retention Securities in such vehicles pursuant to the EU Risk Retention Requirements and/or, in future, the U.S. Risk Retention Regulations. In exchange for its capital and participation facilitating retention compliant origination transactions, the Company expects to receive enhanced returns relative to direct investment in structured credit investments (such as CLOs). Such returns may take the form of additional returns from fees, fee rebates or other financial accommodations agreed by parties who may benefit from the Company's involvement depending upon the asset class of a securitisation vehicle.

Eligible investments

Each investment shall, as of the date of acquisition by the Company, be either a debt obligation (including, but not limited to, a bond or loan), a share or equity security, a hybrid instrument, derivative instrument or contract or an equitable or other interest.

In addition, the Company may from time to time have surplus cash (for example, following the disposal of an acquired investment). Cash held by the Company pending investment or distribution will be held in either cash or cash equivalents, including but not limited to money market instruments or funds, bonds, commercial paper or other debt obligations with banks or other counterparties provided such bank or counterparty has an investment grade credit rating (as determined by any reputable rating agency selected by the Company on the advice of the Portfolio Manager).

Investment restrictions

Concentration Limits

The Company shall comply with the concentration limits set out below, which shall, in relation to each new investment, be tested at the point such new investment is made assessed in accordance with the exposure limit policy.

Where investments are issued by entities with a compartmentalised or cellular legal structure, each compartment or cell shall be considered to be a separate issuer/counterparty provided that the principle of segregation and insolvency remoteness of commitments of the different compartments/ cells of such issuer is materially established by law, contract and/or trust.

None of the restrictions set out below shall apply to investments issued or guaranteed by the government of an OECD Member State.

In relation to investments made:

- no more than 20 per cent. of Net Asset Value shall be exposed to the credit risk of any underlying single transaction or issue;
- the top five exposures to any transactions or issues shall not, in aggregate, account for more than 50 per cent. of Net Asset Value;
- no more than 50 per cent. of Net Asset Value, in aggregate, shall be invested in unlisted investments,

  and in each case, the restrictions set out above shall not apply to the Company's investment in Originators but shall be applied on a look-through basis to the investments of such Originators; and

- no more than 20 per cent. of Net Asset Value, in aggregate, shall be exposed to transactions or issues where the underlying collateral is non-European.

For the purposes of interpreting the above provision, Europe shall include Switzerland, the member states of the EU and EEA and the European Common Customs Territory (from time to time) and, for the avoidance of doubt, shall continue to include any members, who being or subsequently joining as members of such groupings, subsequently cease to be members.

Originated Credit Investments

Each Originated Credit Investment held by an Originator will be subject to its own investment and diversification limits which will vary depending upon whether the Originated Credit Investment is a CLO or other form of structured credit investment. These limits will be designed to ensure that the portfolio of assets within the Originated Credit Investment meets a prescribed level of diversity and quality as set out by relevant rating agencies for a given rating (if rated) and as necessary to meet the requirements of counterparties to Warehouse Credit Facilities.

The investment and diversification limits will be driven by market norms and credit rating agency standards and are likely to include the following:

- a limit on the weighted average life of the portfolio; and
- in the case of CLOs, a limit on the maximum exposure to any one obligor, industry sector and obligors lower credit ratings; a limit on the weighted average rating of the portfolios; and a limit on the minimum diversity of the portfolio.

This is not an exhaustive list of the investment and diversification criteria and portfolio limits within a typical Originated Credit Investment and the inclusion or exclusion of limits and their absolute levels are subject to change depending upon market conditions.

Borrowing and gearing policy

The Company may use borrowings from time to time for the purpose of short term bridging, financing Share buy backs, repurchase agreements with market counterparties or managing working capital requirements, including hedging facilities. Cash borrowings can contribute alongside other forms of leverage to increase the level of gearing of the Company. The Company may also use gearing to increase potential returns to Shareholders. In the past, the Portfolio Manager has employed leverage against senior tranches of ABS to enhance their returns, and expects it will continue to do so, where the economic terms offered by counterparties can increase potential returns to Shareholders.

The Company has set a borrowing limit such that the Company's gearing shall not exceed 130 per cent. at the time of incurrence and deployment of any borrowing. For the purposes of this calculation, gearing will be calculated as the sum of the Company's exposures to each position directly held, divided by the last published Net Asset Value (and for the avoidance of doubt, will include the full exposure held by the Company under any full recourse total return swap, but will exclude any borrowing arrangements that are limited-recourse to the Company, such as borrowings by an Originator).

Borrowings employed by the Company may be secured on individual assets or portfolios without recourse to the Company or by a charge over some or all of the Company's assets to take advantage of potentially preferential terms.

The Board will oversee the gearing levels in the Company, and will review the position with the AIFM and the Portfolio Manager on a regular basis.

It is anticipated that the gearing level of any Originators will differ from the above restrictions. Any leverage of an Originator shall be non-recourse to the Company. In particular, such an Originator may enter into Warehouse Credit Facilities to acquire exposure to assets. Where a Warehouse Credit Facility takes the form of a loan facility, an Originator will borrow funds to acquire assets in anticipation of the creation of a securitisation vehicle to securitise such assets, such facilities generally being non-recourse to the assets of such Originator (other than assets acquired with such funding) and repaid following the transfer of such assets to a securitisation vehicle. Originators will be required to give representations, warranties and indemnities to financing providers including confirmations relating to compliance with risk retention requirements.

Hedging and derivatives

The Company may implement hedging and derivative strategies designed to protect investment performance against material movements in exchange rates and interest rates and to protect against credit risk. Such strategies may include (but are not limited to) options, forwards and futures and interest rate or credit default swaps and will only be entered into when they are available in a timely manner and on terms acceptable to the Company. The Company may also bear risks that could otherwise be hedged where it is considered appropriate to the investment objective and investment policy.

The Company may also use hedging or derivatives (both long and short) for investment purposes, for efficient portfolio management, financing or protection of individual or aggregate positions.

In addition, as the Company's base operating currency is Euros, the Company proposes to engage in currency hedging in an attempt to reduce the impact on the Sterling Shares (if any) of currency fluctuations.

Breach of the investment policy

In the event of a breach of the investment policy set out above, the Portfolio Manager shall inform the Directors and the AIFM upon becoming aware of the same and if the Directors consider the breach to be material, notification will be made via a Regulatory Information Service announcement.

Material change to the investment policy

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

Exposure calculation

The Directors will set the exposure calculation policy from time to time. Under the exposure calculation policy of the Company it is expected that each position to which the Company is exposed in relation to the investment policy's concentration limits above will be assessed and aggregated depending on its type.

- *In relation to the Opportunistic Credit Strategy*: each position will generally be deemed an exposure against the relevant issuer of the instrument or counterparty, but may in specific cases be treated on a 'look-through basis', for instance in the case of certain derivatives (for instance single name credit default swaps, or total return swaps) where the position will be viewed as the credit position of the underlying asset.
- *In relation to the Originated Transactions Strategy*: the Company's position in any exposure to a Profit Participating Instrument will also generally be assessed on a 'look through basis' in relation to the Profit Participating Instrument, but then applying similar rules. For instance, where an Originator uses funding from the Profit Participating Note to purchase corporate loans directly, or holds a Retention Security directly, the Company's position in any Profit Participating Instrument will be assessed as a proportionate exposure to the corporate loan, or to that Retention Security. Where Warehouse Credit Facilities are limited-recourse borrowing facilities, the position will be assessed as an exposure to the limited-recourse warehouse vehicle, while for a Warehouse Credit Facility which is a derivative facility and which has full recourse to an Originator, by assessing the position as an exposure to the position in the referenced loan.

Exposures will be valued in accordance with the Company's valuation policy, and exposure limits to the various credit positions will also be aggregated (and where appropriate netted), by summing the individual exposures on each credit position converted into the base currency of the Company on the date of calculation. For the purposes of calculating the location of geographical exposure, country risk will be aggregated for each relevant country of risk based on the location of the issuer or, where appropriate, asset location, or, in the cases where instrument 'look-through' geographical country weighting information is available and able to be applied appropriately, by applying each country weighting to the position in the instrument, and aggregating each weighted portion to the relevant country. Under the exposure limit policy, positions in derivatives including interest rates swaps, futures, future options, margin or cash deposits, repurchase agreements, fx/fx forwards, credit indices/index options, will generally be excluded from the investment concentration risk limits. The Company's exposure to the Custodian is also excluded from concentration limits.

While not forming part of the investment policy, material changes to the exposure calculation policy adopted by the Directors will be notified to Shareholders in the interim or annual financial reports from time to time.

Cash uses

In accordance with the Company's investment policy, the Company's principal use of cash (including the Net Issue Proceeds) will be to fund investments sourced by the Portfolio Manager, service borrowings, margin payments or for posting collateral as well as initial expenses related to the Issue, ongoing operational expenses and payment of dividends and other distributions to Shareholders in accordance with the Company's dividend policy as set out in the section entitled ''Target returns and dividend policy'' in this Part I of this prospectus.

Commitment by partners of the Portfolio Manager

Partners of the Portfolio Manager have agreed to roll over their respective investment in Toro Capital I on the Effective Date into Roll-over Shares and/or subscribe for Issue Shares with an aggregate value (at the Issue Price) of at least €25 million or representing at least 10 per cent of the total Shares in issue on First Admission, whichever is the greater. Certain of the key partners of the Portfolio Manager have entered into the Lock-up Undertakings further details of which are set out in paragraph 6.9 of Part IX of this prospectus.

Application of the Takeover Code to the Company

As a Guernsey company which has its shares admitted to trading on the Specialist Fund Market and to listing and trading on the official list of the CISEA, the Company is subject to the Takeover Code. Under Rule 9 of the Takeover Code, any person who acquires an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested and shares in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares (subject to certain limited exceptions).

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company, but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person (subject to certain limited exceptions).

Rule 37.1 of the Takeover Code further provides that when a company redeems or purchases its own voting shares, 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.

An offer required under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

The Concert Party

Pursuant to the Liquidation Scheme and the terms of the Transfer Agreement, details of which are set out in Part III of this Prospectus, upon First Admission, the Company will acquire the Seed Assets in exchange for the issue of Roll-over Shares by the Company to the Assenting Toro Capital Shareholders (as instructed by the liquidator of Toro Capital I). Each of Loïc Fery, Frederic Couderc, Benoît Pellegrini and Mick Vasilache (or nominees on their behalf) will be Assenting Toro Capital Shareholders and will receive Roll-over Shares. Each of Loïc Fery, Frederic Couderc, Benoît Pellegrini and Mick Vasilache (the ''**Relevant Chenavari Partners**'') are members of Chenavari Credit Partners LLP and for the purposes of the Takeover Code will be treated as acting in concert with Chenavari Credit Partners LLP.

In addition, Chenavari Credit Partners LLP, acts as discretionary portfolio manager for the managed account, Chenavari European Opportunistic Credit Fund Ltd (the ''**Managed Account**'').

The Managed Account does not hold shares in Toro Capital I but it is proposed that it will acquire Euro Shares in the Company pursuant to the U.S. Subscription.

For the purposes of the Takeover Code, Chenavari Credit Partners LLP will be treated as being interested in the Shares held by the Managed Account. Together the Relevant Chenavari Partners, Chenavari Credit Partners LLP, the Managed Account and certain other individuals (including Roberto Silvotti) connected with, and group companies of, the Chenavari Financial Group who are together deemed to be acting in concert for the purposes of the Takeover Code shall be referred to as the "**Concert Party**".

Depending upon the results of the Liquidation Scheme, the number of Roll-over Shares to be issued, the Shares to be issued to the Managed Account and the number of Shares in issue upon First Admission, the Concert Party may, immediately following First Admission, together, be interested in 30 per cent. or more (but no more than 50 per cent.) of the Shares in issue.

If the aggregate number of voting Shares in which the Concert Party is interested following First Admission is 30 per cent. or more, but less than 50 per cent., then any acquisitions of additional interests in Shares by or on behalf of a member of the Concert Party would trigger a mandatory offer under Rule 9 of the Takeover Code.

The maximum number of voting Shares in which the Concert Party may be interested following First Admission is 49.5 per cent. of the Shares then in issue. In the event that the Company repurchases the maximum number of Shares permitted in accordance with its discount management policy as described in this Part I of this prospectus, the maximum number of voting Shares in which the Concert Party would be interested following such repurchase is 58.2 per cent. of the Shares then in issue.

The Panel has confirmed that for the period from First Admission to the first annual general meeting of the Company, no member of the Concert Party will be required to make an offer for the Company's remaining issued Shares pursuant to Rule 9 as a consequence of either:

(i) if immediately following First Admission less than 30 per cent. of the Company's total voting rights are attributable to Shares in which the Concert Party is interested, the voting rights attaching to the Shares in which the Concert Party is interested exceeding 30 per cent. of the total voting rights in the Company as a result of the Company repurchasing Shares in accordance with its discount management policy as described in this Part I of this prospectus; or

(ii) if immediately following First Admission between 30 per cent. and 50 per cent. of the Company's total voting rights attributable to Shares in which the Concert Party is interested, an increase in the percentage of total voting rights attributable to Shares in which the Concert Party is interested as a result of the Company repurchasing Shares in accordance with its discount management policy as described in this Part I of this prospectus.

The Directors intend to propose a resolution at the first and subsequent annual general meetings of the Company for approval by independent Shareholders to enable the Company to continue following the relevant annual general meeting to purchase its own Shares in the market in accordance with its discount management policy, and, if applicable, to issue Shares to the Portfolio Manager under the terms of the performance fee arrangements described in Part IV of this prospectus, without any member of the Concert Party incurring a Rule 9 mandatory bid obligation (the "**Whitewash Resolution**"). Further details of the Whitewash Resolution will be set out in a circular sent to Shareholders convening the Company's annual general meeting.

Potential investors' attention is drawn to the possibility that the Concert Party could, by the operation of the discount management policy, come to hold Shares carrying more than 50 per cent. of the voting rights of the Company. In this event, members of the Concert Party will be able to acquire interests in further Shares without incurring any further obligation under Rule 9 to make a general offer, although individual members of the Concert Party will not be able to increase their percentage interests in Shares through or between a Rule 9 threshold without Panel consent.

Share capital structure

The Company may issue an unlimited number of Shares, including unclassified shares of no par value. The unclassified shares may be issued as, (a) Shares in such currencies as the Directors may determine; (b) C Shares in such currencies as the Directors may determine; and (c) such other classes of shares in such currencies as the Directors may determine in accordance with the Articles and the Companies Law. Shares will be redeemable at the option of the Company and not Shareholders.

The Company is initially proposing to issue two Classes of Share in respect of the Company: Euro Shares and Sterling Shares denominated in Euros and Sterling respectively. No Sterling Shares will be issued at any time including pursuant to the Issue or under the Placing Programme, unless after issuance of such Sterling Shares the total number of Sterling Shares in issue shall be equal to or greater than 5 million Sterling Shares.

The Shares of each Class will rank *pari passu* in all respects with each other, save that the costs and any benefits of hedging the foreign currency exposure of the assets attributable to the Euro Shares or the Sterling Shares will be allocated solely to those Shares respectively.

The base operational currency of the Company will be Euros and the assets attributable to each Class will be managed and accounted for as a single pool. The Company proposes to engage in currency hedging in an attempt to reduce the impact on the Sterling Shares, (if any) of currency fluctuations. The Euro exposure of the Sterling Shares will be managed through the use of forward foreign exchange transactions although there can be no guarantee that the management of currency risk and exposure will be successful. The expense or benefit of such activity will be allocated exclusively to the Sterling Shares (if any) and reflected in the Net Asset Value per Share of the Class. As a result, the Net Asset Value per Share of the different Classes of Share may differ over time as the different gains and losses realised on the hedging contracts are applied to the Sterling Share.

Conversion between currency Classes

The Articles incorporate provisions to enable Shareholders of Ordinary shares in any one currency Class to convert and redesignate all or some of their Ordinary Shares into Shares of any other currency Class in accordance with the Articles. All conversions are conditional upon the approval of the Directors, which may be withheld at their discretion.

A Shareholder wishing to convert and redesignate all or some of their Ordinary Shares into another currency shall give the Company a notice of their intention to do so, containing the proposed conversion date (the "**Currency Conversion Date**"), at least 5 Business Days in advance of the Currency Conversion Date. Such notice shall be given either through submission of the relevant USE instruction (for uncertificated Shareholders holding Shares in CREST) or any other instruction necessary for any other relevant system, or through submission of a conversion notice and the return of the relevant Share certificate to the Registrars. Such conversion and redesignation shall be carried out in accordance with the Articles and the directors of the Company shall, in their absolute discretion, determine the number of shares (including any fraction of such a share) that shall be converted by way of redesignation as shall be necessary to ensure that, immediately following the currency conversion and redesignation, the Net Asset Value attributed to the currency of the Shares to be converted equals the Net Asset Value attributed to the new currency. Shareholders should also note that if they elect to convert and redesignate Shares they will be unable to deal in those Shares in the period between giving notice of conversion and the actual date of conversion and redesignation.

At the option of the Company the Directors may require the compulsory conversion of Ordinary Shares from one currency into another where the Directors consider it to be in the best interests of the Shareholders of the relevant currency and the Company as a whole.

Discount control

The Company may, subject to compliance with the Companies Law, purchase its own Shares in the market on an *ad hoc* basis with a view to addressing any imbalance between the supply of, and demand for, the Shares, to increase the Net Asset Value per Share and to assist in minimising any discount to the Net Asset Value per Share in relation to the price at which Shares may be trading. Once the Company is fully invested (taking into consideration cash amounts required for working capital purposes (including in particular a cash reserve for meeting any required margin calls on derivative positions), or for the payment of dividends in accordance with the Company's dividend policy and for settling transactions contractually agreed), the Directors will give consideration to using surplus cash to purchase Shares under this authority, but are not bound to do so, where the market price of a Share of both Share Classes trades at more than 7.5 per cent. below the latest published Net Asset Value per Share for more than 180 days, any such share buy-backs undertaken shall cease when the discount is once again not more than 7.5 per cent. Surplus cash for these purposes will comprise undistributed coupons and the proceeds of normal portfolio realisations.

An ordinary resolution, expressed to take effect on First Admission, has been passed granting the Company authority to make market purchases of up to 14.99 per cent. of the Shares in issue following First Admission. This authority is due to expire on the earlier of the conclusion of the first annual general meeting of the Company and eighteen months from the date of the passing of the resolution. The Directors intend to seek annual renewal of this buyback authority from Shareholders each year at the Company's annual general meeting. If the Company purchases any of its Shares, the maximum price (exclusive of expenses) which may be paid for a Share must not be more than the higher of, (i) 105 per cent. of the average of the mid-market values of a Share for the five trading days immediately preceding the day on which the Share is contracted to be purchased, or (ii) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003. In addition, Shares will be purchased through the market only at prices below the last published Net Asset Value per Share, which should have the effect of increasing the Net Asset Value per Share for the remaining Shareholders. Any such purchase will be carried out in accordance with the Companies Law, which provides *inter alia*, that any buy-back is subject to the Company passing the solvency test contained in the Companies Law at the relevant time. The minimum price payable per Share is £0.01 per Sterling Share or €0.01 per Euro Share. In no event, however, shall the Directors be authorised to repurchase Shares if as a result of such repurchase any Shareholder (or group of Shareholders who are deemed to be acting in concert pursuant to the Takeover Code, including, but not limited to, the Concert Party) would be required to make a mandatory offer pursuant to Rule 9 of the Takeover Code and no Whitewash Resolution has been passed in relation to such repurchase.

Investors should note that the purchase of Shares by the Company is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions. Investors should also note that any purchase or redemption of Shares will be subject to the ability of the Company to fund the purchase price or redemption amount. Purchases of Shares may be made only in accordance with the Companies Law and the Disclosure and Transparency Rules. The Company is not required to comply with the provisions of Chapter 12 of the Listing Rules regarding market repurchases by the Company of its Shares. Nonetheless, by adopting the policy above, the Company will voluntarily be complying with the provisions of Listing Rule 12.4.1 and 12.4.2.

The Companies Law allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. This would give the Company the ability to re-issue Shares quickly and cost effectively, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. No Shares will be sold from treasury for cash at a price less than the Net Asset Value per Share of the relevant Class at the time of their sale without Shareholder approval. During the period when the Company holds Shares as treasury shares, the rights and obligations in respect of those Shares may not be exercised or enforced by or against the Company. Pursuant to the Companies Law, the maximum number of Shares of any Class that can be held as treasury shares is 10 per cent. of the total number of issued Shares of that Class at the time.

Further issues of Shares and C Shares

The Directors will have initial authority, subject to the Articles and the Companies Law, to allot further Shares following First Admission (pursuant to the Placing Programme or otherwise) for a period of 2 years with effect from 25 April 2015. The maximum number of Shares which may be issued pursuant to this authority is 750 million Shares (including the Roll-over Shares, the Issue Shares and any Shares issued pursuant to the Placing Programme). This allotment authority will be renewed on a periodic basis. Further issues of shares, and sales of shares from treasury would only be made if the Directors determine such issues to be in the best interests of Shareholders and the Company as a whole. Relevant factors in making such determination include net asset performance, Share price, availability of investment opportunities and perceived investor demand. In the case of further issues of Shares (or sales of Shares from treasury), such Shares will only be issued at prices which are not less than the latest published Net Asset Value per Share of the relevant Class.

The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Shares over a period of time. The Placing Programme will open on First Admission and will close on 27 April 2016 (or any earlier date on which it is fully subscribed, or otherwise at the discretion of the Directors). Shares will, subject to the Company's

decision to proceed with an allotment at any given time, be made available at the Placing Programme Price to investors. An announcement of each allotment will be released through a Regulatory Information Service, including details of the number of Shares allotted and the Placing Programme Price for the allotment.

If there is sufficient demand at any time following First Admission, the Company may seek to raise further funds through the issue of C Shares (in one or more classes and currencies). The rights conferred on the holders of C Shares or other classes of shares issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of the issue of the relevant shares) be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith. The issue of C Shares is designed to overcome the potential disadvantages for both existing and new investors, that could arise out of a conventional fixed price issue of further Shares for cash. In particular:

- the C Shares would not convert into and be redesignated as Shares (of the relevant class) until at least 80 per cent. of the net proceeds of the C Shares (or such other percentage as the Directors and the Portfolio Manager shall agree) have been invested (or, if earlier, twelve calendar months after the allotment of the relevant class of C Shares) or such other date as the Directors may determine;
- the assets representing the net proceeds of a C Share issue would be accounted for and managed as a distinct pool of assets until their conversion date. By accounting for the net proceeds of a C Share issue separately, existing Shareholders (of the relevant Class) will not participate in a portfolio containing a substantial amount of uninvested cash before the conversion date;
- the basis on which the C Shares would convert into and be redesignated as Shares (of the relevant Class) is such that the number of Shares to which holders of C Shares would become entitled will reflect the relative net asset value per share of the assets attributable to the C Shares and the Shares (of the relevant Class). As a result, the NAV per Share (of the relevant Class) can be expected to be unchanged by the issue and conversion of any C Shares; and
- the Net Asset Value of the Shares (of the relevant Class) would not be diluted by the expenses of the C Share issue, which would be borne by the assets attributable to the C Shares.

The Articles contain the C Share rights, full details of which are set out in paragraph 4.2.17 of Part IX of this prospectus.

The C Shares would be available for issue by the Company (subject to the admission of such C Shares to trading on the Specialist Fund Market and to listing and trading on the official list of the CISEA) if the Directors consider it appropriate to avoid the dilutive effect that the proceeds of an issue might otherwise have on the performance of the existing Shares (of the relevant Class).

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

There are no provisions of Guernsey law or the Articles which confer rights of pre-emption in respect of the allotment of shares of any class.

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

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

Reports and accounts

The annual report and accounts of the Company will be made up to 30 September in each year with copies made available to Shareholders within the following four months. The Company will

also publish unaudited interim reports to 31 March with copies made available to Shareholders within the following two months.

The first financial period will cover the period from incorporation to 30 September 2015 and the first unaudited interim report will be published in respect of the period to 31 March 2016.

The Company's financial statements will be prepared in accordance with IFRS and reported in Euros. The Company expects to qualify as an Investment Entity under IFRS and to be required (with limited exceptions) to fair value rather than consolidate any subsidiaries.

Any disclosures required to be made to Shareholders pursuant to the AIFM Directive will be contained either in the Company's periodic reports, on the Company's website or communicated to Shareholders in written form.

NET ASSET VALUE

Publication and calculation of Net Asset Value

It is intended that the Net Asset Value will be calculated as of the last Business Day of each month (or at any other times at the Board's discretion) by the Sub-Administrator, based on third party valuations (where available) and in consultation with the AIFM and the Portfolio Manager. The Net Asset Value will be published in Euros and the Net Asset Value per Share of the Euro Shares and Sterling Shares will be published in Euros and Sterling respectively by a Regulatory Information Service announcement, on the website of the Company at www.torolimited.gg and will be notified to and released via the CISEA within 15 Business Days following the relevant month-end or if later as soon as is practicable after calculation.

The Company's assets and liabilities will be valued in accordance with IFRS consistently applied, as in effect from time to time, as described in more detail below. In particular, the monthly Net Asset Value will, as required, include an accrual for any performance fees payable by the Company to the Portfolio Manager under the terms of the Portfolio Management Agreement.

Investments will initially be recognised at their acquisition cost and thereafter be re-measured at fair value as follows:

- any investments which are marketable securities (including shares or units of closed-ended investment funds) quoted, traded or dealt in on an investment exchange will be valued at the latest available price or, if appropriate on the average price on the stock exchange which is normally the principal market of such securities, and each security traded on any other regulated market shall be valued in a manner as similar as possible to that provided for quoted securities;
- for non-quoted securities or securities not traded or dealt on an investment exchange or other regulated market, as well as quoted or non-quoted securities on such other market for which no valuation price is available, or securities for which the quoted prices are, in the opinion of the Board, not representative of the fair market value, the value thereof shall be determined prudently and in good faith;
- liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis;
- futures and options are valued by reference to the previous day's closing price on the relevant market; the market prices used are the futures exchanges settlement prices;
- swaps are valued at fair value based on the latest available closing price of the underlying security;
- cash, cash equivalents and other liquid assets will be valued at their face value with interest accrued, where applicable, as at the close of business on the relevant calculation date unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Board may consider appropriate to reflect the true value thereof;
- investments in open-ended investment funds will be taken at their latest official net asset values or at their latest unofficial net asset values (i.e. which are not generally used for the purposes of subscription and redemption of shares of the underlying investment funds) as provided by the relevant administrators or investment managers if more recent than their official net asset values and for which the Company or its agent has sufficient assurance that the valuation method used by the relevant administrator for the said unofficial net asset value

is coherent as compared to the official one. In the event of a material change in the net asset value of the shares or units in the investment fund since the day on which the latest official net asset value was calculated, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Board, such change of value;

- all other securities and assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Board;
- any value expressed otherwise than in the base currency of the Company (whether of an investment or cash) and any borrowing in a currency other than the base currency of the Company shall be converted into the base currency of the Company at the relevant quoted mid rate at 4.00 p.m. (Guernsey time) on the calculation date; and
- in the event of it being impossible or incorrect to carry out a valuation of a specific asset in accordance with the valuation rules set out in the paragraphs above, or if such valuation is not representative in the opinion of the Board of the asset's fair market value, the Portfolio Manager, subject to the approval of the Board, is entitled to use other generally recognised valuation principles in order to reach a proper valuation of that specific asset, provided that any alternative method of valuation is consistent with the accounting policies used to draw up the annual audited financial statements of the Company.

The Board will establish a valuation committee to review the valuation of illiquid investments particularly where a valuation is provided by a single counterparty or where the Portfolio Manager's risk officer recommends to the AIFM a valuation that differs to that provided by a counterparty. The valuation committee's determination of the valuation of any investment will be final.

Suspension of the calculation of Net Asset Value

The Directors may, but are not obliged to at any time temporarily suspend the calculation of the Net Asset Value per Share during:

- any period when any of the principal markets or stock exchanges on which a substantial part of the portfolio is quoted or dealt in is closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended provided that such restriction or suspension affects the valuation of the investments of the Company quoted thereon; or
- any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, or the existence of any state of affairs which constitutes an emergency in the opinion of the Directors, disposal or valuation of a substantial part of the portfolio is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders or if in the opinion of the Directors the Net Asset Value cannot be fairly calculated; or
- any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the Company or when for any reason the current prices or values on any stock exchange or other market of a substantial part of the investments cannot be promptly and accurately ascertained.
- during any period in which any transfer of funds involved in the realisation or acquisition of investments cannot, in the opinion of the Directors, be effected at normal rates of exchange; or
- when, for any other reason, the prices of any investments owned by the Company cannot be promptly or accurately ascertained.

The Company may elect to treat the next Business Day on which the calculation can be made as the next Net Asset Value calculation date.

Where the Directors temporarily suspend the calculation of the Net Asset Value, such suspension shall be notified by the Company via a Regulatory Information Service announcement and promptly announced on the CISEA. Where the Directors temporarily suspend the calculation of the Net Asset Value, the listing of the Shares on the Official List of the CISEA will be suspended during any such period. All reasonable steps will be taken to bring the period of suspension to an end as soon as possible.

THE AIFM DIRECTIVE

Under the AIFM Directive, certain conditions must be met to permit the marketing of shares in AIFs to prospective and existing investors in the EEA, including that prescribed disclosures are

made to such investors. Certain provisions of the AIFM Directive still require the establishment of guidelines, and the AIFM Directive is still being implemented in a number of EEA member states. It is also possible that interpretation of the AIFM Directive may vary among the EEA member states. It is therefore difficult to predict the full impact of the AIFM Directive on the Company and the AIFM, as the external appointed alternative investment fund manager of the Company and the effect on the Company and the AIFM may vary over time. The AIFM Directive may result in requirements to make certain reports and disclosures to regulators of EEA member states in which Shares and/or C Shares any marketed. Such reports and disclosures may become publicly available.

The Company currently intends to operate as an externally managed non-EEA domiciled AIF with a non-EEA AIFM for the purposes of the AIFM Directive and as such neither it nor the AIFM will be required to seek authorisation under the AIFM Directive. However, following national transposition of the AIFM Directive in a given EEA member state, the marketing of shares in non-EEA AIFs with a non-EEA AIFM (such as the AIFM) to investors in that EEA member state is prohibited unless certain conditions are met. The AIFM filed a notification on 9 April 2015 with the FCA pursuant to Article 42 of the AIFM Directive to market the Shares in the UK under the UK national private placement regime.

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

NON-MAINSTREAM POOLED INVESTMENTS

In June 2013, the FCA published a policy statement setting out final rules restricting the marketing within the UK of certain pooled investments or 'funds', referred to in the rules as non-mainstream pooled investments, to 'ordinary retail clients'. These rules took effect from 1 January 2014. The Directors have been advised by the Company's professional advisers of the relevant criteria that the Company would need to meet to qualify for investment trust status in order to be exempt from these rules and intend to ensure that the Company meets such criteria on an annual basis. Accordingly, the Directors expect that subject to any later changes to these rules or any material change to the Company's investment policy, the Company will not be subject to the marketing restrictions under these rules.

TYPICAL INVESTOR

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

PART II

THE INVESTMENT OPPORTUNITY

Background

The current opportunities in European structured credit markets owe their origins to the credit crisis of 2008, specifically, the substantial repricing of credit risk and the introduction of tighter financial regulation that followed.

In the lead-up to the crisis, issuance of structured and leveraged credit products broke previous records and total bank balance sheet assets grew year on year. The credit crisis triggered widespread repricing of credit instruments and the structured credit sector suffered accordingly. Investors with the skill and resources to analyse structured credit at post-crisis levels profited as asset prices returned towards less stressed levels.

At the end of September 2014, the outstanding publicly placed European ABS market was valued at €550 billion compared to €1,300 billion in 2007. Despite issuance of European ABS of €75 billion in the first three quarters of 2014, net issuance remained negative with €50 billion of net redemptions in 2014. RMBS represent the largest sector of the European ABS market at 62.7 per cent., with consumer ABS representing 14.3 per cent., CDOs 2.5 per cent., CMBS 6.5 per cent. and CLOs 14.07 per cent. (*source: AFME*).

The crisis also led banking regulators and supervisors to revise the regulatory framework with the aim that, in future, banks would be better capitalised and able to withstand market stresses, and also to ensure that sponsors and originators of securitisations would be better aligned with the investors in such vehicles. The new framework has provided regulatory incentives for banks to sell non-core assets, or share the risk of their credit portfolios and to exit capital-intensive lines of business. This activity of the banks presents an opportunity for credit investors to acquire assets with an attractive balance of risk and reward.

The macro-economic drivers for the Company in seeking to exploit this state of affairs are principally:

- accommodative monetary policy;
- declining default rates, declining arrears and increasing recovery rates on credit instruments; and
- deleveraging by banks, disintermediation and a constrained bank credit supply.

In addition, there are several regulatory and market developments that the Directors and Portfolio Manager consider create an opportunity for investment in structured credit. These include:

- *Retention rules for new asset securitisations*

  In the EU and the United States, the regulatory response to the global credit crisis has resulted in new rules that require at least one party involved in new asset securitisations to commit and maintain material capital exposure for the life of the securitisation, also known as the retention requirement. One type of asset securitisation, CLOs, have been, and will continue to be, impacted by these rules as this requirement limits the number of CLO Managers effectively able to establish new CLOs. The EU Risk Retention Requirements became effective in the EU in January 2011 and are scheduled to take effect in December 2016 in the U.S.

  The EU Risk Retention Requirements create an opportunity for the Company. The Company will invest in a variety of new securitisations with the intention of making these securitisations compliant with EU and/or U.S. Risk Retention Regulations. In exchange for these investments, the Company expects to receive enhanced returns relative to direct investment in securitisations.

- *The anticipated introduction of standardised criteria for "simple, transparent and comparable" securitisations*

  In December 2014, the Basel Committee on Banking Supervision and the International Organization of Securities Commissions issued a consultative document to identify high quality securitisations ("**HQS**"). This document focuses on promoting simple structures and underlying assets, the transparency of information provided to investors and comparability of structures so that investors can more easily compare one securitisation to another. Separately, the Bank

of England and European Central Bank staff issued a paper in May 2014 stating the case for a better functioning securitisation market in the EU. The Directors and the Portfolio Manager consider that these actions create a better atmosphere for investment in securitisations and as such should reduce the cost of capital and improve the attractiveness of junior tranches.

- *The European Central Bank's ABS Purchase Programme ("**ABSPP**")*

  A detailed announcement on the ABSPP was released by the ECB on 2 October 2014 and comprises a programme of buying senior and guaranteed mezzanine tranches of ABS, both in primary and secondary markets. The ABSPP is expected to boost demand and support further spread compression particularly as default rates and arrears decline.

In summary, compliant securitisations have become an attractive source of financing for several asset classes. The ABSPP, coupled with limited new supply, should support further spread compression, creating attractive long-term financing conditions for ABS. Furthermore European regulation on securitisation has created a higher hurdle for issuers by requiring them to retain risk in transactions. Risk retention requirements will make securitisation financing more costly, especially for non-bank lenders, and this will confer an advantage on those who can meet the retention requirements, such as the Originators. Likewise, regulators have made it punitive for alternative investment fund manager investors and European Credit Institutions to invest in securitisations that do not comply with regulation.

Opportunity and strategy

The Company's investment policy will focus on two strategies: the Opportunistic Credit Strategy and the Originated Transactions Strategy.

The Opportunistic Credit Strategy

The Company's definition of opportunistic credit covers public markets such as Asset Backed Securities and private asset backed finance opportunities. This represents the continuation of the investment strategies pursued by the Portfolio Manager in Toro Capital I since its inception.

Public ABS

Initially, the Company's portfolio will comprise the Seed Assets contributed (or acquired for cash) from Toro Capital I under the Transfer Agreement, which the Company and the Portfolio Manager consider to be unique and to have significant embedded value with relatively foreseeable yields to maturity. The Portfolio Manager has modelled the returns of the portfolio of Seed Assets on a number of assumptions, including without limitation, default rates, loss severity, refinancing rates, time to recovery and call and maturity expectations. Based on these models, the Portfolio Manager believes the Seed Assets have the capacity to return in excess of 10 per cent. net yield to maturity in the current market conditions at the date of this prospectus. Actual returns will differ. The attention of investors is drawn to the Risk Factors set out on pages 18 to 45 of this prospectus. Further information on the Toro Capital I portfolio is set out in Part III of this prospectus.

It is expected that this portfolio will be progressively run down through the active rebalancing of positions, restructurings and liquidations and that proceeds of such activities will be used to fund new investments in pursuant to the Opportunistic Credit Strategy and Originated Transactions Strategy.

The Portfolio Manager has a strong record of investing in ABS, and the Portfolio Manager expects that the Seed Assets to be contributed (or acquired for cash) pursuant to the Liquidation Scheme will form part of a number of opportunities to unlock significant value from ABS investments that the Portfolio Manager considers to be mispriced by the market relative to their intrinsic value.

An example of this can be seen with certain CDOs, where the securities in issue trade at a discount to the underlying portfolio value. This can occur for a variety of reasons, including a failure of the market to properly model the true value of the underlying assets. A strategy of acquiring sufficient securities in the CDO to trigger a winding up can unlock this discount.

Private asset backed finance

The private asset backed finance opportunities segment of the Opportunistic Credit Strategy will comprise transactions that may be bilaterally negotiated or are unlisted and the Company may acquire (or provide finance for the acquisition by third parties of) credit assets. Financings by the Company will frequently be structured at a junior position in the overall financing package and will be collateralised by identified assets acquired by the borrower (in some cases at a discount to their

embedded value). Risk will be carefully assessed by reference to the specifics of the underlying assets and the overall financing structure; the goal at all times will be to ensure that the projected return is an attractive compensation for the risk taken.

An example of a private asset backed finance transaction that the Portfolio Manager has entered into and which would be within the scope of the Company's activities is provided by the system of *pagares* in Spain. These are essentially promissory notes issued by companies as an obligation to pay for goods or services and are an example of the disintermediation of banks. The Portfolio Manager has (on behalf of a client entity, "**E**") commenced a programme of acquiring *pagares,* in partnership with a local Spanish firm ("**SF**"). The *pagares* offer recourse not only to the debtor, but also to both the provider of such goods and to SF. This gives E a strong credit position, and the discount to face value at which E is able to acquire the *pagares* at a discount represents an attractive rate of return on capital committed.

A second example of a typical private asset backed finance transaction might be the purchase of a portfolio of mortgage loans from a bank, using a non-recourse match-funded loan to enhance the return, and employing a third-party servicer to manage the underlying obligations.

The Portfolio Manager has multiple relationships with firms that can provide access to private asset backed finance transactions, with a variety of underlying credit risks and the Directors consider that these relationships represent a competitive strength of the Company.

The Originated Transactions Strategy

The Company anticipates deploying around 30 per cent. of its capital in the next 12 months in one or more Originators that will originate CLOs and other securitisations such as RMBS and consumer loan ABS. The Originators will retain an interest in each securitisation that they originate (to comply with the EU Risk Retention Requirements) and will benefit from enhanced economics on the retained interests, usually by means of a fee rebate from the CLO Manager of the securitisation.

The Company expects to receive enhanced returns relative to direct investment in structured credit investments (such as CLOs). Such returns may take the form of additional returns from fees, fee rebates or other financial accommodations, agreed by parties who may benefit from the Company's involvement and depending upon the asset class of a securitisation vehicle, in exchange for the Company's capital and participation facilitating retention compliant origination strategy. For example, where a member of the Chenavari Financial Group is the CLO Manager of a CLO, the Company intends to require any Originator entity it finances under the Origination Transactions Strategy to seek to enhance its potential returns in CLO transactions by targeting a 100 per cent rebate of the CLO Manager's management fees (excluding performance or incentive payments) in proportion of the Retention Securities held by the relevant Originator, or where such rebates are not available, to seek fees or other financial accommodations in order to achieve a similar enhanced return.

Originators may also provide first-loss capital to CLO warehouses managed by selected third party CLO Managers. In these cases, the Originator will have the ability but not the obligation to retain an interest when the CLO warehouse is securitised (as the retention obligation will fall elsewhere).

The capability to originate securitisations that are compliant with the EU Risk Retention Requirements is also expected to be beneficial to the Company's private asset backed finance strategy, as assets acquired privately can be securitised to access low-cost term financing from ABS investors, especially ABS that will fall under the HQS framework.

The Directors and the Portfolio Manager expect that the Originators in which the Company invests will originate one or two new CLOs each year, with other securitisations in addition, with target returns from investing in such Originators expected to be 15-20 per cent. per annum. The cash flow to the Company from investing in such Originators is expected to be enhanced through the higher level of seniority of management fee rebates, with an estimated 33 per cent. of expected gross returns derived from the rebate of management fees based on the Portfolio Manager's base case scenario.

Under the EU Risk Retention Requirements, an Originator is required to hold Retention Securities equal to a five per cent. interest in the relevant securitisation. In order to satisfy the EU Risk Retention Requirements and be a qualifying retention holder, an Originator will need to, amongst other things, (a) establish the relevant securitisation; (b) sell investments to the relevant securitisation vehicle where, (i) it has purchased such investments for its own account, or (ii) it was itself or through related entities, directly or indirectly, involved in the original agreement which created such obligations; (c) during each securitisation vehicle's reinvestment or revolving period,

sell investments to the securitisation vehicle from time to time so that, for so long as the securities of the securitisation vehicle are outstanding, over 50 per cent. of the total securitised exposures held by the securitisation vehicle have been originated by such Originator; (d) on the closing date of a securitisation, commit to purchase the Retention Securities and undertake that, for so long as any other securities of the securitisation vehicle remain outstanding, it will retain its interest in the Retention Securities and will not sell, hedge or otherwise mitigate its credit risk under or associated with such Retention Securities.

Where an Originator retains in excess of 50 per cent. of the equity securities in a securitisation, it may benefit from effective call rights and/or refinancing rights.

The Directors and the Portfolio Manager expect that the Company's portfolio will evolve such that, 12 months after First Admission, the allocations to the strategies outlined above and the targeted returns from such strategies will be as follows:

Strategy	Public ABS	Private asset backed finance	Securitisation Originators
Expected allocation	~50%	~20%	~30%
Targeted gross returns	~15%	~15%	~15-20%

Investors should note that the figures in relation to targeted returns set out above are for illustrative purposes only and are not intended to be, and should not be taken as, a profit forecast or estimate.

Proposed arrangements with Originators

It is currently anticipated that Originators in which the Company invests will be domiciled in Guernsey or another jurisdiction, if considered appropriate. Each Originator will be internally managed and will operate independently of the Company. The Company anticipates investing in each Originator using Profit Participation Instruments which are expected to be structured as hybrid debt instruments.

The Company expects to enter into a financing arrangement with each relevant Originator which is currently anticipated to contain the following key features:

Terms of Profit Participation Instruments

The Profit Participation Instruments will include customary terms and conditions including, but not limited to:

- an obligation to pay interest on the Profit Participation Instruments if sufficient profit has been generated by the Originator;
- an obligation on the Originator to maintain its corporate status;
- an obligation on the Originator to pay debts as they fall due;
- an obligation on the Originator to maintain proper records;
- a restriction on the Originator creating any security over its assets subject to customary exceptions or the consent of the instrument holder;
- an obligation on the Originator to maintain its relevant tax residency;
- a restriction on the Originator issuing further Profit Participation Instruments in circumstances which could be prejudicial to the interests of the Company;
- restrictions on transfer;
- information rights; and
- customary termination rights.

Representations and warranties

Each Originator will provide representations and warranties to the Company including as to:

- the validity of its corporate status;
- the validity of the issue of Profit Participation Instruments;

- the due authorisation and execution of any such note purchase agreement (or similar framework agreement);
- compliance with law, regulation and the relevant Originator's constitution;
- the obtaining of all necessary consents;
- compliance with applicable securities law provisions; and
- the absence of stamp duty or similar transfer taxes.

Covenants

In addition, each Originator will agree that where it invests in securitisations, it will do so only in securitisations established by itself or established, sponsored, managed or arranged by or on behalf or at the request of the Chenavari Financial Group.

Right of first refusal

Each Originator will be obliged to offer the Company the right of first refusal to raise monies to fund it. If the Company has not put in action steps to enable it to raise money within 30 days, an Originator may raise monies from parties other than the Company.

Review rights

The Company will have the right to review and query the following but will not have any rights of veto:

- all Originated Credit Investment engagement letters prior to signing by an Originator;
- all Originated Credit Investment term sheets, including fees payable to the members of the Chenavari Financial Group, target returns and other relevant terms, prior to broad marketing for a new Originated Credit Investments; and
- call rights in relation to Originated Credit Investment.

Information rights

Each Originator will:

- provide the Company with all such assistance (including the provision of information) as it might require in order to comply with the Disclosure and Transparency Rules and the Prospectus Rules as well as any other applicable laws or regulations and also to facilitate with the production of accounts in accordance with the Disclosure and Transparency Rules and the Companies Law;
- be required to provide the Company, the AIFM and the Portfolio Manager with all such information as the Company, the AIFM and the Portfolio Manager may require to satisfy their obligations under the AIFM Directive and in the proper exercise of the AIFM's risk management functions and the Portfolio Manager's portfolio management functions;
- provide the Company with all such assistance as it might require in order to maintain its tax residence in Guernsey; and
- provide the Company with all such assistance as it might require in order to make regular announcements of its Net Asset Value and the composition of the underlying portfolio to the market via a Regulatory Information Service.

PART III

TORO CAPITAL I, THE TORO CAPITAL I PORTFOLIO AND THE LIQUIDATION SCHEME

Toro Capital I

Toro Capital I is a *société en commandite par actions* formed as an open-ended investment company qualifying under Luxembourg law as a *société d'investissement à capital variable* with two sub-funds: Toro Capital I-A and Toro Capital I-B. As at 31 December 2014, the audited net asset value of Toro Capital I-A was €348,693,225.60 and the audited net asset value of Toro Capital I-B was €78,903,479.62.

Toro Capital I was launched in June 2009 to benefit from the ABS investment opportunities that arose from the 2008 global financial crisis. While banks were liquidating large ABS positions originated pre-2007, Toro Capital I was able to purchase such ABS at a discount to their fundamental value. The purchase and active trading of those securities since 2009 has allowed the fund to generate unaudited net returns of 48.77 per cent. annualised for Toro Capital I-A Euro shares and 21.27 per cent. annualised for Toro Capital I-B Euro shares for the period from 1 June 2009 and 1 April 2011 (their respective inception dates) to 31 December 2014.

The total net assets of Toro Capital I at each final year end between 2009 and 2014 (audited) was:

	€ millions
2009:	10.5
2010:	91.7
2011:	202.2
2012:	275.2
2013:	355.8
2014:	427.6

Track record of Toro Capital I

The Directors consider the track record of Toro Capital I to be strong, noting in particular that positive returns have been delivered every month in respect of Toro I-A, except two in 2011; and every month in respect of Toro I-B, except four in 2011 and one in 2013. In addition, the Directors consider that the track record also demonstrates a limited correlation with broader credit markets (as measured by the iTraxx Crossover Index of the 50 most liquid sub-investment grade entities) and other risk assets (as measured by the Euro STOXX 50 Index of 50 leading Eurozone stocks).

Toro Capital I-A is an actively managed fund, targeting net returns of 20 per cent. per annum from a diversified portfolio of European ABS, MBS and CDO.

Monthly returns for the Toro Capital I-A Euro share class since inception have been:

Share Class A- €	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**YTD**
2009						8.95%	6.74%	18.60%	9.26%	8.01%	5.03%	5.36%	80.12%
2010	8.45%	7.06%	10.47%	13.52%	4.26%	2.16%	2.48%	1.89%	4.46%	5.15%	3.45%	3.56%	90.56%
2011	7.19%	7.12%	3.00%	3.90%	3.02%	0.98%	1.01%	-3.80%	0.12%	-1.48%	0.83%	0.95%	24.71%
2012	2.58%	3.04%	2.20%	1.22%	1.11%	1.15%	1.95%	2.12%	2.87%	3.76%	4.33%	2.14%	32.42%
2013	3.22%	3.21%	1.82%	1.74%	3.47%	1.08%	1.70%	1.07%	2.28%	4.20%	2.44%	2.62%	32.93%
2014	3.82%	2.48%	2.46%	3.98%	2.26%	2.02%	0.83%	0.99%	2.17%	0.76%	0.25%	0.46%	24.83%

Investor's attention is drawn to the fact that performance realised in 2009 and 2010 took advantage of the dislocation of the European ABS market with, in particular, deeply discounted prices at the time. Past performance is not indicative of future performance. Returns are net of all fees.

Source: Chenavari Financial Group

Toro Capital I-B is an actively managed fund, targeting net returns of 15 per cent. per annum from a diversified portfolio of European ABS, MBS and CDO.

Monthly returns for the Toro Capital I-B Euro share class since inception have been:

Share Class A- €	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2011				0.90%	2.86%	1.15%	-0.07%	-3.64%	-1.65%	-0.06%	0.97%	0.09%	0.41%
2012	3.58%	2.83%	1.46%	1.06%	1.51%	1.62%	1.80%	2.63%	2.90%	3.55%	4.54%	2.89%	34.90%
2013	2.80%	3.84%	1.02%	2.35%	3.57%	-0.26%	1.37%	1.16%	2.31%	1.57%	1.69%	2.05%	26.06%
2014	3.90%	2.24%	2.16%	3.02%	1.96%	2.36%	0.47%	0.78%	0.97%	1.95%	0.20%	0.18%	22.07%

Past performance is not indicative of future performance. Returns are net of all fees.
Source: Chenavari Financial Group

The track record set out above has been achieved through active trading and macro-driven portfolio positioning. During the first half of 2011, a large cash position was accumulated in anticipation of, and in response to, a market downturn. This cash was promptly deployed once markets started to recover in the second half of 2011. This strategy reduced exposure during the downturn and facilitated the acquisition of assets at attractive levels once the Portfolio Manager judged that prices had reached a trough.

The ABS market and the portfolio benefit from limited correlation to broader credit and equity markets and, in the case of Toro Capital I, such correlation is further reduced by the income generated by the portfolio and the effects of active trading.

The Liquidation Scheme and the Transfer Agreement

In parallel to the launch of the Company, the existing investors in Toro Capital I will vote on the terms of the Liquidation Scheme. Subject to the approval of the Liquidation Scheme and the commencement of the liquidation, Assenting Toro Capital Shareholders will, on the Effective Date, be unconditionally issued Roll-over Shares in the Company as an *in specie* distribution of the liquidation proceeds to which they are entitled and as directed by the Liquidator. Those Toro Capital I shareholders not voting in favour of the Liquidation Scheme will receive their liquidation proceeds in cash. In consideration for the issuance of the Roll-over Shares, on or around the Effective Date, the Liquidator and the Company will enter into the Transfer Agreement under which the Liquidator will transfer to the Company on the Effective Date the beneficial interest in the Seed Assets with a value approximately equal to the aggregate net asset value of the Toro Capital I shares held by the Assenting Toro Capital Shareholders as at the Valuation Date. The Seed Assets will be a broadly proportionate vertical slice of the asset portfolio of Toro Capital I as at the Valuation Date (including any available cash remaining after priority payment of creditors). The valuation policy of Toro Capital I and the Company are materially identical at the date of this prospectus. Toro Limited may also enter into arrangements on or around the Effective Date, that may provide for further purchases on or after the Effective Date to the extent further assets forming Seed Assets are available for purchase from the Liquidator or third parties at equivalent prices taking into account transactions and financing costs and any requirements of such parties.

Pursuant to the terms of the Liquidation Scheme, Assenting Toro Capital Shareholders of a relevant currency class will automatically be rolled over into the same currency Class in the Company (unless they specify otherwise to the liquidator), save that Assenting Toro Capital Shareholders holding US dollar denominated shares in Toro Capital I will be rolled over into Euro Shares in the Company based on applicable currency conversion rates on the Valuation Date.

The number of Roll-over Shares to be issued to each Assenting Toro Capital Shareholder will be calculated for each Assenting Toro Capital Shareholder based on the conversion ratio per class (''**CRC**'') for each class of Toro Capital I shares. The CRC for each Assenting Toro Capital Shareholder represents the number of shares of the relevant class held by such Assenting Toro Capital Shareholder multiplied by the net asset value per share (as at the Valuation Date) in Euros of the relevant class. The sum of all of the CRCs for each Assenting Toro Capital Shareholder shall be the ''**Total CRC**'' for such shareholder which shall be used to determine the number of Roll-over Shares to be issued to such Assenting Toro Capital Shareholder. The number of Roll-over Shares to be issued to each Assenting Toro Capital Shareholder pursuant to the Liquidation Scheme shall be based on the deemed issue price of the Roll-over Shares being, €0.9825 for Euro Shares and £0.9825 for the Sterling Shares. This deemed issue price has been fixed to ensure

that Roll-over Shareholders bear a proportionate share of the fixed launch costs of the Company but do not indirectly bear the cost of any variable placing commissions payable in connection with the Issue.

The Seed Assets

The portfolio of Toro Capital I, from which the Seed Assets will be drawn, representing a broadly proportionate vertical slice, is weighted geographically towards the UK and core European jurisdictions.

The Seed Assets and any other assets acquired pursuant to the arrangements noted above, which the Company and the Portfolio Manager currently expect to be in excess of €250 million, will provide the Company with immediate income and accelerated capital deployment. The average weighted price of the portfolio assets is 69.08 per cent. of their respective face values, as at 31 March 2015, and there are in excess of 100 securities, with the largest five obligors representing 32.29 per cent. of the total value and the largest 10 obligors representing 44.31 per cent. of the total value.

The portfolio is biased towards less liquid and low beta segments, with an emphasis on convexity and optionality.

The breakdown of the portfolio of Toro Capital I by sector, geography, currency of denomination, instrument type and listing status as at 1 March 2015 was as follows:

Sector breakdown	% of portfolio
RMBS	18.96
CMBS	5.77
CLO	30.07
Consumer ABS	3.31
CDO	41.89
Total	100.00

Geographic breakdown	% of portfolio
United Kingdom	25.27
Spain	8.49
Netherlands	10.96
Portugal	7.07
Italy	3.74
Germany	11.57
France	7.19
Switzerland	0.97
United States	4.09
Ireland	3.51
Other	17.14
Total	100.00

Source: Chenavari Financial Group

	GBP %	EUR %	USD %	Listed %
Fixed rate instruments	3.35	0.00	0.00	100
Floating rate instruments	11.27	70.02	0.00	100
Other	2.35	12.98	0.04	N/A

Source: Chenavari Financial Group

The reported net asset value (unaudited) of Toro Capital I-A and I-B as at 31 March 2015 was €389,230,798 and €85,378,628 respectively (of which approximately €155 million was cash).

PART IV

DIRECTORS, MANAGEMENT AND INVESTMENT PROCESS

Directors

The Directors are responsible for the determination of the Company's investment objective and investment policy 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 the Portfolio Manager. All of the Directors are non-executive and, save for Roberto Silvotti (as described below), are independent of the AIFM and the Portfolio Manager.

The Directors will meet at least four times per annum.

The Directors are as follows:

Frederic Hervouet, non-executive chairman (aged 41)

Frederic Hervouet has over 18 years experience in the financial markets and asset management industry with a focus on multi-asset class investment management, risk management, structured products and structured finance. Mr. Hervouet holds a Master Degree (DESS 203) in Financial Markets, Commodity Markets and Risk Management and an MSc in Applied Mathematics and International Finance from University Paris Dauphine. Previously Mr. Hervouet worked for two multi-billion multi-strategy hedge funds specialising in quantitative strategies, convertible arbitrage, derivatives and emerging markets debt. Mr. Hervouet is an independent director of Tetragon Financial Group Limited and Tetragon Financial Group Master Fund Limited. Prior to this role, Mr. Hervouet was managing director and head of commodity derivatives in Asia for BNP Paribas.

John Whittle, non-executive director (aged 59)

John Whittle has significant experience of the loan market and is a non-executive director of International Public Partnerships Ltd (as audit committee chair), Starwood European Real Estate Finance LTD (as audit committee chair), India Capital Growth Fund Ltd, Globalworth Real Estate Investments Ltd (as audit committee chair) and Advance Frontier Markets Fund Ltd and previously at Aurora Russia Ltd. Mr. Whittle worked as a chartered accountant at PriceWaterhouseCoopers and holds an IoD Diploma in Company Direction. Prior to acting as a non-executive director, Mr. Whittle was finance director at Close Fund Services, a large independent fund administrator. He has also held positions at John Lewis and as CFO of Windsmoor (London LSE).

Roberto Silvotti, non-independent non-executive director (aged 56)

Roberto Silvotti has over 20 years' experience in both academic and senior credit market positions, and was formerly the Chief Risk Officer of the Chenavari Financial Group. He started his career as Professor of Mathematics in institutions such as Columbia University (New York), The Institute for Advanced Study (Princeton, New Jersey) and Scuola Normale Superiore (Pisa, Italy). Mr. Silvotti then moved to the capital markets industry. Over the past ten years, he has held senior positions in various investment banks, including risk manager at Goldman Sachs, head of credit derivatives risk management for Banca Intesa, global head of structured credit trading at Calyon, global head of derivatives structuring and new product development at Dresdner Kleinwort. Prior to his role as Chief Risk Officer of the Chenavari Financial Group he was co-head of structured credit and head of index strategy at Royal Bank of Scotland.

The AIFM

Pursuant to the AIFM Agreement, a summary of which is set out in paragraph 6.3 of Part IX of this prospectus, the Company has appointed Carne Global AIFM Solutions (C.I.) Limited as the Company's external AIFM. Pursuant to the Portfolio Management Agreement, the AIFM has, with the consent of the Company, delegated the portfolio management functions to the Portfolio Manager.

The AIFM is a leading fund governance provider established by investment professionals to provide tailored governance solutions and advisory services to traditional and alternative asset managers. The AIFM's main business is the provision of fund management services to investment funds such as the Company.

The AIFM will be responsible for the risk management function of the Company, whilst delegating (in conjunction with the Company) the discretionary portfolio management of the Company's assets

to the Portfolio Manager. The AIFM will work closely with the Portfolio Manager in implementing appropriate risk measurement and management standards and procedures. The AIFM will carry out the ongoing oversight functions and supervision of the Portfolio Manager to ensure compliance with the applicable requirements of the AIFM Directive.

The AIFM is legally and operationally independent of the Company, the Portfolio Manager, the Administrator and the Sub-Administrator.

Details of the fees and expenses payable to the AIFM are set out in the section headed ''Fees and Expenses'' below.

The Portfolio Manager

Pursuant to the Portfolio Management Agreement, the AIFM and the Company have delegated discretionary portfolio management of the Company's assets to the Portfolio Manager.

The Portfolio Manager is a specialist credit manager with a focus on niche credit segments. The firm, which is wholly owned by its partners and key employees, has 98 partners and employees, including 44 investment professionals forming a fully integrated team of specialists in corporate and high-yield bonds, ABS, CLOs, structured credit, financials, real estate debt and credit derivatives. The Portfolio Manager has been the investment manager of Toro Capital I since its launch in 2009.

The Portfolio Manager is part of the Chenavari Financial Group, a leading independent group of regulated financial services companies, specialising in fixed income credit and debt markets. The group was founded in May 2008 by Loïc Fery. As at 31 December 2014, the Chenavari Financial Group had approximately US$5.2 billion of assets under management (unaudited).

The Portfolio Manager's track record

The Portfolio Manager manages a range of specialist credit strategies and has an established track record in credit markets.

The Portfolio Manager's track record in relation to Toro Capital I is set out in Part III of this prospectus.

Senior personnel of the Portfolio Manager

The biographies of the relevant senior personnel of the Portfolio Manager are set out below.

Loïc Fery – Chief Executive Officer and Co-Chief Investment Officer

Loïc Fery is the founder and CEO of the Chenavari Financial Group. Mr. Fery is responsible for the day to day management of the firm and has veto rights at the investment committee level on all of the firm's investment strategies. Mr. Fery, together with Frederic Couderc, is also responsible for the investment allocation of the Chenavari Multi-Strategy Credit Fund Limited between its various strategies. Prior to setting up the Chenavari Financial Group in 2008, Mr. Fery was Managing Director, Global Head of Credit Markets at Calyon where he was responsible for the global Credit, Structured Credit & High Yield global activities of the bank. He joined Calyon in 2001 with the mandate to establish the bank's Structured Credit and Credit Derivatives activities. In six years, he developed a global team and contributed to positioning the bank among the leading global structured credit houses. Mr. Fery started his career in Asia, where he ran the Asian Credit Derivatives desk for Société Générale. Mr. Fery has been involved in the set-up of several asset-management companies focused on structured credit since 2001. He has also co-authored several books on credit derivatives and securitisation topics.

Frederic Couderc – Co-Chief Investment Officer

Frederic Couderc started the Portfolio Manager's dedicated ABS and Structured Finance team. Mr. Couderc works closely with Loïc Fery, overseeing the firm's Structured Finance activities. He also contributes to the management of the investment process for the Chenavari Multi-Strategy Credit Fund Limited. Prior to joining the Chenavari Financial Group, he was a Managing Director Principal of Bear Stearns, where he headed the fixed income sales to Iberia. Prior to that, he worked for seven years at Natixis as deputy head of Capital Markets for Iberia. During that time, he successfully originated, structured and marketed a large number of European ABS transactions. He started his career at Banque Indosuez in Madrid where he worked for three years. He holds a Magistere in Banking and Finance (BA) from the University of Paris IX Dauphine.

Benoît Pellegrini – Senior Portfolio Manager, European ABS

Benoît Pellegrini co-started the European ABS and Structured Finance team at the Portfolio Manager in 2009. He is responsible for defining and implementing the investment strategy across ABS mandates including the Toro Capital I fund. Prior to joining the Portfolio Manager, Mr. Pellegrini worked as an ABS/CDO trader at Natixis where he was in charge of managing a multi-billion Euro portfolio which involved analysing, modelling, pricing and monitoring a wide range of European structured credit products. He received a Magistere of Sciences in International Economics & Finance and a post graduate degree in Corporate Finance from the University of Bordeaux IV.

Eric Lepage – Chief Risk Officer and Chief Technology Officer

Eric Lepage joined the Portfolio Manager in 2014 as Chief Risk Officer. Prior to joining the Portfolio Manager, Mr. Lepage managed a capital market risk management start-up, Hemera Finance Concept, which was focused on quantitative analysis and advanced IT architecture. Prior to that, he worked for two years in BlueCrest where he co-founded a Multi Strategy Credit hedge fund. Before Blue Crest, Mr. Lepage was at Calyon in London as Head of Credit Trading (Flow and Exotics) and Quantitative Research. Before that, Mr. Lepage was Global Head of Exotic Credit Trading and Head of European Credit Structuring at BNP Paribas in London. Prior to this, he spent four years at Societe Générale in Paris as co-Head of European Credit Derivatives Trading. Before this, he was at Murex where he spent four years as a key developer of the MxRates platform and one year in New York City as a Senior Murex consultant. Mr. Lepage began his career as a junior future option market marker at Société Generale in Paris. Mr. Lepage has a Masters from Ecole Nationale Superieure des Mines de Paris.

Steve Sabatier – Chief Operating Officer

Steve Sabatier is the Chief Operating Officer of the Portfolio Manager. Prior to joining the Portfolio Manager, Mr. Sabatier had over 12 years' experience in Derivatives and Alternative Asset Management. Mr. Sabatier was a senior legal counsel with AXA Investment Management in London, dedicated to the Hedge Funds and Funds of Hedge Funds business for three years. From 1999 to 2006, Mr. Sabatier worked for Société Générale in Paris, as a derivatives legal adviser, two years as Deputy Head of the Debt Instruments Legal Department covering the Structured Credit business and two years for the Alternative Management Platform of Société Générale's subsidiary Lyxor Asset Management. Mr. Sabatier has a Master's degree in International Business Law.

Kate Haswell – Acting Chief Compliance Officer

Kate Haswell joined the Portfolio Manager in 2015 and is acting CCO, subject to confirmation. Prior to this, Ms. Haswell was formerly Head of Compliance and the MLRO for 9 years at CQS and was responsible for all regulatory matters across all CQS Funds and regulated entities. Before joining CQS, Ms. Haswell worked for A.G. Edwards & Sons for five years overseeing European and US clients for money laundering and compliance related matters. Prior to this, Ms. Haswell worked in a compliance and trading role at Australia's oldest stock broking firm, Joseph Palmer and Sons. Ms. Haswell is a Chartered Fellow (FCSI) of the Chartered Institute for Securities & Investment, and a Senior Associate (SAFin) of the Financial Services Institute of Australasia. She holds a B.Comm in Economics and Finance from the University of Western Sydney; a postgraduate diploma in Advance Investment and Finance from Financial Services Institute of Australasia; a graduate diploma in Regulation and Compliance from the Chartered Institute for Securities & Investment of England; a diploma in money laundering from the International Compliance Association (Manchester Business School), and is currently studying a MSc Regulation at The London School of Economics and Political Science.

Didier Derrien – Head of Operations

Didier Derrien joined the Portfolio Manager in 2013 as head of operations after spending four years with AXA Investment Managers as COO of the structured finance team where he was in charge of operations, IT and finance. Prior to that Mr Derrien worked for four years at ABN Amro as CFO of the Paris branch and for eight years at Ernst & Young as audit senior manager in financial services. Mr Derrien graduated from French business school HEC and qualified as a French statutory auditor and chartered accountant.

Hubert Tissier de Mallerais – Portfolio Manager, Structured Finance

Hubert Tissier de Mallerais joined the Portfolio Manager in 2011 as Senior Portfolio Manager for Regulatory Capital Structures Finances. Prior to joining the Portfolio Manager, Mr. Tissier de Mallerais worked at RBS where he was a Managing Director, Head of Principal Finance and Asset-Backed Finance. He joined with the mandate to develop a principal finance business in Europe. Mr. Tissier de Mallerais was responsible for the principal finance, CDO, structured finance solutions, esoteric ABS origination and structuring activities of the bank in Europe. Prior to RBS, Mr. Tissier de Mallerais was with Credit Suisse in London from 2000 where he ran the origination and structuring of Consumer and Mortgage ABS in Europe. Mr. Tissier de Mallerais originated, structured and underwrote ABS and RMBS in excess of US$70 billion of across all asset classes and jurisdictions. Before this, Mr. Tissier de Mallerais spent five years with BNP Paribas working on leveraged finance and Securitised Products in Milan and London.

Mick Vasilache – Portfolio Manager, Structured Finance

Mick Vasilache has 19 years of experience in European and US leveraged finance. He started his career in Morgan Stanley's Fixed Income division in New York and came to Europe in 2000 with JP Morgan Chase in order to develop the European leveraged buyout market. Mr. Vasilache moved to the buy-side in 2003 and prior to joining the Portfolio Manager he developed and ran the €1.1 billion European Leveraged Credit Fund at AIM, an affiliate of Cerberus Capital. Prior to that Mr. Vasilache was the senior leveraged credit analyst at Elgin Capital where he was one of the founders of the Dalradian CLO programme which consisted of four CLOs totalling €1.4 billion. Mr. Vasilache is a graduate of Wesleyan University and has gained an MBA from Harvard Business School.

Investment process

Structured credit investments are a highly specialised asset class requiring origination capabilities, dedicated fundamental expertise, a strong quantitative background, an advanced technology platform and a proven ability to manage credit risk.

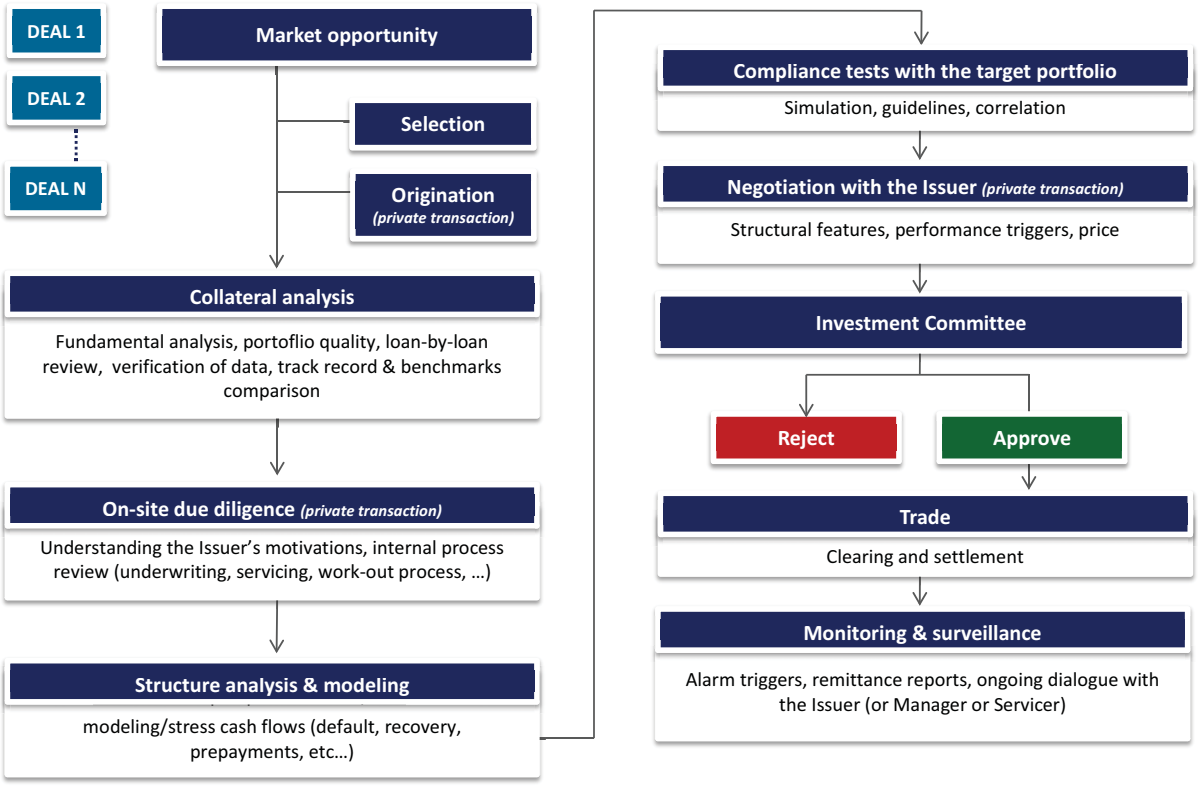
The Portfolio Manager will be responsible for sourcing potential investments. The Portfolio Manager will not be required to, and generally will not, submit decisions concerning the discretionary or ongoing management of the Company's assets for the approval of the Board or the AIFM, except where such approval relates to an application of the investment guidelines or a conflict of interest.

Each individual investment, above two per cent. of the Net Asset Value, will require the approval of the Portfolio Manager's Structured Credit Investment Committee, which currently comprises Loïc Fery, Frederic Couderc, Eric Lepage, Benoît Pellegrini, Mick Vasilache and Hubert Tissier de Mallerais.

The Portfolio Manager's selection and (where appropriate) negotiation process in relation to an investment will vary depending upon whether the Portfolio Manager is considering a structured credit investment which is, (i) backed by a portfolio of non-corporate credit assets, or (ii) a CLO, but in each case will be founded on a fundamental credit research process.

Investment Process

A combination of quantitative and qualitative analysis



Fundamental credit research process

Structured credit investments backed by a portfolio of non-corporate credit assets

The Portfolio Manager undertakes a fundamental credit review entailing the selection and optimisation of the assets underlying an investment. The process involves a fundamental analysis of the assets, which (depending on the nature of such portfolio) may include a loan-by-loan review, statistical analysis, a disciplined verification of data (including borrower delinquencies, loss rates, recoveries and prepayments), a review of the portfolio's track record and a benchmark comparison.

The nature of the review is determined by the type and number of reference assets that the portfolio contains. Portfolios with a large number of reference assets (i.e. "granular" portfolios) typically lend themselves to a statistical approach to credit analysis, whereas less granular portfolios call for more focussed credit analysis on each individual asset.

For example, the statistical analysis conducted on a highly granular portfolio of mortgage loans (which may contain 5,000-10,000 individual loans) takes into account such factors as: loan origination dates, average balance sizes, loan to value ratios (original and estimated current), the proportion that are in arrears, the proportion of interest-only and repayment loans, the loan repayment dates compared to the transaction maturity, the proportion of buy-to-let mortgages, the geographical spread of mortgaged properties and how house prices have moved since origination in each geographical area.

Based on the data established in the process above, the Portfolio Manager develops quantitative scenarios using default rates, loss severities and prepayments, applied either to sub-pools within the portfolio of assets (for granular portfolios) or to each loan or reference obligation (for less granular portfolios). The default rates and other metrics assumed in these scenarios are, where possible, compared to actual values observed for previous similar transactions from the same source.

Alongside the fundamental credit analysis, the structural features of the transaction are also assessed. This includes a review of the payment waterfall, the subordination of the proposed investment, the extent of the reserve fund, the amortisation profile and extension risk.

For each transaction, the Portfolio Manager either develops a proprietary cash flow model or, depending on the asset class and following full verification, uses a third-party model from a leading provider. These models are used to compute expected investment returns and sensitivities based on the quantitative scenarios outlined above, and also on multiples of such scenarios (for example, assuming that default rates are twice, three times, etc. as severe as in the base case). Selected shock tests are also conducted to calculate the effect on investment returns of a catastrophic scenario in all or parts of the portfolio of assets.

The Portfolio Manager conducts a comparison of the transaction's value and investment returns relative to other transactions in the market and determines the pricing parameters and the required interest payments at which the transaction and the specific investment should be acquired as an investment for the Company.

CLOs

The Portfolio Manager continuously scans the market in order to identify opportunities to acquire CLO positions or exposures based on its knowledge, experience and investment thesis. In relation to this fundamentally-driven investment process the Portfolio Manager will look at the following areas:

Macro assessment – this will focus on key macroeconomic trends and economic indicators.

Sector assessment – this involves a top-down sector analysis to identify sector trends and opportunities versus the overall market.

Event risk assessment – this will look at financial trends (such as capital market dynamics, competitive landscape and leverage); technical risk (such as market positioning, effects of structured products and legal precedent impact on recovery values); and other sources of risk (such as legal and geopolitical risks).

Screening

Once opportunities have been identified the Portfolio Manager will undertake a fundamental bottom-up analysis on the specific companies whose loans comprise the CLO, focusing on operational, financial and capital structure features.

In assessing potential companies, the Portfolio Manager will utilise its advanced proprietary fundamental research systems. These systems generate standardised financial models and real-time company fact sheets allowing like-for-like assessments of different companies to be undertaken. The platform functionality also includes, financial ratio analysis, advanced forecasting and budgeting functionality, covenant monitoring, peer group analysis and the ability to store qualitative information such as the investment team's comments and fundamental views.

Monitoring

CLO investments are monitored each trading day by the Portfolio Manager with fundamental analysis updates being fed into the monitoring process. In addition, in managing CLO investments the Portfolio Manager is able to utilise a proprietary management tool, delivering CLO management transparency and full look through capability.

Investments will be exited upon significant credit risk being identified and dependent upon market conditions. Fundamental analysis updates may also trigger the early exit of a CLO investment.

Risk mitigation

Throughout the investment process and following acquisition of an investment, the Portfolio Manager is pro-active in identifying and seeking to mitigate transaction and portfolio risks. Such risks and the means by which they may be mitigated include:

- **Collateral risk (default, recovery, prepayment)**

  The Portfolio Manager will conduct, as set out above, detailed fundamental, statistical and scenario analyses. Where it is considered desirable, the Company may enter into hedging transactions designed to protect against or mitigate the consequences of single reference obligations defaulting and/or more generalised credit events.

- **Replenishment risk (quality of new reference assets)**

  The terms of an investment may permit the relevant counterparty to alter the composition of the collateral. The Portfolio Manager will seek to ensure that the investment documents clearly define eligible replacement assets to mitigate the risk of inferior quality assets being added. In certain cases, and to the extent possible, the Portfolio Manager may negotiate veto rights for investors on new names being added to the collateral pool.

- **Bank counterparty risk**

  Investments may expose the Company to a bank counterparty's credit risk. The terms of such investments will generally include credit rating triggers such that the investment is terminated or accelerated, or other credit support features are activated, if a bank counterparty's credit ratings decline by more than a predetermined threshold. The Company may also enter credit default swaps referenced to a bank counterparty to protect against a bank counterparty's default.

- **Interest rate risk**

  Investments are generally floating rate investments. In situations where this is not the case, the Company may also (but is not obliged to) enter into interest hedging transactions.

- **Currency risk**

  Where investments are undertaken in currencies other than Euros, the Company may also enter into currency hedging transactions. Call risk investments may have call features which, if activated, would result in re-investment risks for the Company. This is mitigated by restricting the situations where an investment can be terminated and/or by requiring that premiums be payable to investors when a investment is called.

The Company expects that investments it makes in Originators will benefit from the Portfolio Manager's approach to fundamental analysis set out above where Originators have agreed to acquire securitisation positions predominantly arranged by the Chenavari Financial Group.

The Portfolio Manager has managed two CLOs, Alpstar CLO I and Alpstar CLO 2, since December 2012, achieving consistent performance for equity investors. In September 2014, the Portfolio Manager launched Toro European CLO I, being the first European CLO issued by a new manager since the global financial crisis. The Portfolio Manager is currently ramping up and structuring a second European CLO. The Portfolio Manager is managing assets invested in European leveraged loans, including under a total return swap programme managed since October 2013, of €1.1 billion (as at 31 December 2014).

Portfolio Management Agreement

The Company, the AIFM and the Portfolio Manager have entered into the Portfolio Management Agreement, a summary of the terms of which is set out in paragraph 6.2 of Part IX of this prospectus, under which the Portfolio Manager has been delegated by the AIFM sole responsibility for the discretionary portfolio management of the Company's assets (including uninvested cash) in accordance with the Company's investment policy, subject to the overall control and supervision of the Directors and the AIFM.

The Portfolio Management Agreement is terminable by either the Portfolio Manager or the AIFM giving to the other not less than 12 months' written notice, such notice not to be served before the seventh anniversary of First Admission. The AIFM shall only exercise a right of termination with the consent of the Company.

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

Administrator and Secretary

Morgan Sharpe Administration Limited has been appointed as administrator and secretary of the Company pursuant to the Administration Agreement (further details of which are set out in paragraph 6.4 of Part IX of this prospectus). In such capacity, the Administrator will be responsible for the day-to-day administration of the Company (including but not limited to the calculation and publication of the estimated Net Asset Value), general secretarial functions required by the Companies Law (including but not limited to the maintenance of the Company's accounting and

statutory records) and the safekeeping of all title documentation in relation to investments or other documents of title.

With the consent of the Company, the Administrator has appointed Quintillion Limited as sub-administrator and, pursuant to the terms of the Sub-Administration Agreement, has delegated to the Sub-Administrator various of its duties and obligations under the terms of the Administration Agreement including but not limited to the calculation and publication of the estimated Net Asset Value and maintaining accounting records. A summary of the terms of the Sub-Administration Agreement are set out in paragraph 6.5 of Part IX of this prospectus.

Details of the fees and expenses payable to the Administrator and the Sub-Administrator are set out in the section headed ''Fees and Expenses'' below.

Investors should note that it is not possible for the Administrator or Sub-Administrator to provide investment advice to investors.

Custodian

JPMorgan Chase Bank National Association, Jersey Branch has been appointed as custodian of the Company pursuant to the Custody Agreement (further details of which are set out in paragraph 6.6 of Part IX of this prospectus). In such capacity, the Custodian will be responsible for the provision of certain custody services of the Company.

In acting as custodian of the Company's investments, the Custodian shall take custody of cash and all other securities eligible for custody with the Custodian.

Registrar

Capita Registrars (Guernsey) Limited has been appointed to provide registrar services to the Company pursuant to the Registrar Agreement (further details of which are set out in paragraph 6.7 of Part IX of this prospectus). Under the Registrar Agreement, the Registrar has responsibility for maintaining the register of Shareholders, receiving transfers of shares for certification and registration, receiving and registering Shareholder's dividend payments together with related services and processing requests for conversions between Share Classes in accordance with the Articles.

Details of the fees and expenses payable to the Registrar are set out in the section headed ''Fees and Expenses'' below.

Fees and expenses

Initial expenses relating to the Issue and the Placing Programme

The formation and initial expenses of the Company are those which are necessary for the incorporation of the Company, First Admission and the Issue. These expenses include fees and commissions due to Dexion under the Placing Agreement, admission fees, printing, legal and accounting fees and any other applicable expenses which will be met by the Company and will be paid on or around First Admission out of the Net Proceeds. The expenses will be written off in the Company's first accounting period. Such costs and expenses are expected to be up to 2.00 per cent. of the Net Issue Proceeds and up to 0.25 Euro cents per Euro Share and 0.25 pence per Sterling Share issued as Roll-over Shares (the ''**Cost Cap**''). To the extent that such costs and expenses exceed the Cost Cap, the Portfolio Manager has agreed to meet such excess; and to the extent that such costs and expenses are less than the Cost Cap, the Portfolio Manager will be entitled to receive an amount equal to the difference.

The number of Roll-over Shares to be issued to each Assenting Toro Capital Shareholder pursuant to the Liquidation Scheme shall be based on the deemed issue price of the Roll-over Shares, being €0.9825 for Euro Shares and £0.9825 for the Sterling Shares. This deemed issue price has been determined to ensure that Roll-over Shareholders bear a proportionate share of the fixed launch costs of the Company but do not indirectly bear the cost of any variable placing commissions payable in connection with the Issue.

The expenses of the Placing Programme will depend on subscriptions received but it is expected that those costs will be covered by issuing such Shares at a premium to the prevailing cum-income Net Asset Value per Share for each relevant Class or by issuing C Shares.

Ongoing annual expenses

Ongoing annual expenses will include the following:

(i) The AIFM

Under the terms of the AIFM Agreement, the AIFM is entitled to receive from the Company an annual fee payable out of the assets of the Company of £66,000 (and shall equate to a monthly fee of £5,500).

(ii) Portfolio management fee payable to the Portfolio Manager

Under the terms of the Portfolio Management Agreement, the Portfolio Manager is entitled to receive from the Company a portfolio management fee which is calculated and accrued monthly at a rate equivalent to one-twelfth of one per cent. of the Net Asset Value per Share of each Class (before deducting the amount of that month's portfolio management fee and any performance fee). The portfolio management fee shall be calculated and accrued as at the last Business Day of each month and be paid monthly in arrears on the basis of the monthly Net Asset Value per Share calculations.

(iii) Performance fee payable to the Portfolio Manager

The Portfolio Manager shall be entitled to receive from the Company a performance fee in respect of each Class of Shares equal to 15 per cent. of the total increase in the Net Asset Value per Share of the relevant Class at the end of the relevant Performance Period (as defined below) (as adjusted to, (i) add back the aggregate value of any dividends per Share paid to Shareholders since the end of the Performance Period in respect of which a performance fee was last paid in relation to that Class (or the date of First Admission if no performance fee has been paid in respect of that Class, and (ii) exclude any accrual for unpaid performance fees) over the highest previously recorded Net Asset Value per Share of the relevant Class as at the end of the relevant Performance Period in respect of which a performance fee was last paid (or the Net Asset Value per Share of the relevant Class as at First Admission (after deduction of launch costs), if no performance fee has been paid in respect of that Class) multiplied by the number of issued and outstanding Shares of that Class at the end of the relevant Performance Period, having made adjustments for numbers of Shares of that Class issued and/or repurchased during the relevant Performance Period.

The first performance period in respect of the Shares commences on the date of First Admission and ends on 30 September 2015 and thereafter, in respect of each 12 month period ending on 30 September in each year (the "**Performance Period**"). The last Performance Period will end on the date on which the Portfolio Management Agreement is terminated or the Company is wound up.

Where Shares of a Class are repurchased during a Performance Period, the accrued performance fee, if any, in respect of the assets attributable to such Shares will be payable in cash on the date of repurchase on the basis set out above.

A performance fee, if payable, in respect of any Performance Period shall accrue monthly in the Net Asset Value on a provisional basis and, save as provided in respect of repurchases during a Performance Period, shall be paid annually as soon as practicable following its calculation. Subject at all times to compliance with relevant regulatory and tax requirements, for a given Performance Period any performance fee paid or payable will be satisfied as to a maximum of 60 per cent. in cash and as to a minimum (save as set out below) of 40 per cent. by the issuance of new Euro Shares (rounded down to the nearest whole number of Euro Shares) (including the reissue of treasury shares) issued at the latest published Net Asset Value per Share applicable at the date of issuance. Each such tranche of Euro Shares issued to the Portfolio Manager will be subject to a lock-up undertaking for a period of two years post issuance. At no time shall the Portfolio Manager (and/or any persons deemed to be acting in concert with it for the purposes of the Takeover Code) be obliged, in the absence of a relevant Whitewash Resolution having been passed, to receive further Shares where to do so would trigger a requirement to make a mandatory offer pursuant to Rule 9 of the Takeover Code. For further information relating to Rule 9 of the Takeover Code, please see page 63 of this prospectus. Where any restriction exists on the issuance of further Shares to the Portfolio Manager, the relevant amount of the Performance Fee may be paid in cash.

Where Shares are converted from one Class to another Class, such conversion will not be treated for performance fee purposes as if there was a redemption and a subscription of Shares.

(iv) Administrator

Under the terms of the Administration Agreement, the Administrator is entitled to receive from the Company a fee of 0.017 per cent. per annum of the Net Asset Value.

In addition, the Administrator, in its capacity as CISEA sponsor, under the terms of the CISEA Sponsorship Agreement will be entitled to a one-off listing fee of £7,000 which is due on First Admission and, for acting as sponsor on an ongoing basis, an annual fee of £6,000.

(v) Sub-Administrator

Under the terms of the Sub-Administration Agreement, the Sub-Administrator is is expected to be entitled to receive from the Company a fee of 0.073 per cent. per annum of the Net Asset Value.

(vi) Registrar

Under the terms of the Registrar Agreement, the Registrar is entitled to receive from the Company certain annual maintenance and activity fees, subject to a minimum fee of £6,000 per annum.

(vii) Custodian

Under the terms of the Custody Agreement, the Custodian is entitled to receive from the Company a safekeeping and administration fee on each transaction calculated using a basis point fee charge based on the country of settlement and the value of the assets together with various other payment/wire charges on outgoing payments, subject to an aggregate minimum fee of £31,500 per annum.

(viii) Directors

Each of the Directors is entitled to receive a fee from the Company a fee at such rate as may be determined in accordance with the Articles. The initial fee for Mr. Hervouet as Chairman will be £50,000 per annum. The initial fee for Mr. Whittle as chairman of the Audit Committee will be £40,000 per annum. The initial fee for Mr. Silvotti will be £30,000 per annum.

Each of the Directors will also be entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the business of the Company. 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.

(ix) Auditor

The Auditor will be entitled to receive from the Company an annual fee, which fee will be agreed with the Board each year in advance of the Auditor commencing audit work.

(x) Other operational expenses

Other ongoing operational expenses (excluding fees paid to service providers as detailed above) of the Company will be borne by the Company including travel, accommodation, printing, audit, finance costs, legal fees (including those incurred on behalf of the Company by the AIFM and/or the Portfolio Manager), corporate broking fees and annual London Stock Exchange and CISEA fees. These expenses will be deducted from the assets of the Company (which includes any income). All reasonable out-of-pocket expenses of, the AIFM, the Portfolio Manager, the Administrator, the Sub-Administrator, the Registrar, the Custodian and the Directors relating to the Company will be borne by the Company. The Company will target an ongoing total expense ratio of 0.40 per cent. of Net Asset Value (but excluding management fees and any non-recurring or extraordinary expenses).

Given that many of the fees are irregular in their nature, the maximum amount of fees, charges and expenses that Shareholders will bear in relation to their investment cannot be disclosed in advance.

Conflicts of interest

The Portfolio Manager

The Portfolio Manager and its Affiliates may be subject to various conflicts of interest in connection with the portfolio management services provided to the Company. Please see further the risk factor "*The Portfolio Manager and its Affiliates may be subject to conflicts of interest in respect of its activities on behalf of the Company*" on page 37 of this prospectus.

Directors

In relation to transactions in which a Director is interested, the Articles provide that, (i) subject to due disclosure, no Director or proposed Director shall be disqualified by his office from contracting, or proposing to contract, with the Company, and such transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions; and (ii) a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise through the Company. A Director may be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting. Where a Director is not described as independent (in the case of the Company Mr. Silvotti) this is because the Director may act, and in the case of Mr. Silvotti is acting as a director to other companies within the group of, or funds managed by, the Chenavari Financial Group. For further details see paragraph 3.7 of Part IX of this prospectus. The Directors are also required by the Registered Collective Investment Scheme Rules 2015 to take all reasonable steps to ensure that there is no breach of any of the conflict of interest requirements in those Rules.

Corporate governance

Whilst the Company is not required to do so, the Company will voluntarily comply with the provisions of Chapter 9 of the Listing Rules regarding corporate governance. Chapter 9 of the Listing Rules requires that the Company must "comply or explain" against the UK Corporate Governance Code. In addition, the Disclosure and Transparency Rules require the Company to, (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management systems.

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

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

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

The Commission has issued a Finance Sector Code of Corporate Governance (the "**GFSC Code**") which came into effect on 1 January 2012. As the Company will voluntarily report by reference against the UK Corporate Governance Code, it is deemed also to meet the requirements of the GFSC Code.

The Company's Audit Committee will be chaired by John Whittle and also has Frederic Hervouet as a member and will meet at least three times 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 examines the effectiveness of the Company's control systems. It will review the half-yearly and annual reports and also receives information from the AIFM and the Portfolio Manager. It will review the scope, results, cost effectiveness, independence and objectivity of the external auditor.

The Company has established a Management Engagement Committee which will be chaired by John Whittle and has Frederic Hervouet as a member. The Management Engagement Committee

will meet at least once a year or more often if required. Its principal duties will be to consider the terms of appointment of the AIFM and the Portfolio Manager and it will annually review that appointment and the terms of the AIFM Agreement and the Portfolio Management Agreement.

Directors' share dealings

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

PART V

THE ISSUE

Introduction

Dexion has agreed to use its reasonable endeavours to procure Placees pursuant to the Initial Placing for Euro Shares (at an Issue Price of €1.00 per Euro Share) and Sterling Shares (at an Issue Price of £1.00 per Sterling Share) on the terms and subject to the conditions set out in the Placing Agreement. No Sterling Shares will be issued pursuant to the Initial Placing unless the total number of Sterling Shares to be issued on First Admission is equal to or greater than 5 million Sterling Shares. Details of the Placing Agreement are set out in paragraph 6.1 of Part IX of this prospectus.

In addition, a limited subscription offer is being made available directly by the Company to certain U.S. Persons who are Qualified Institutional Buyers to subscribe for Shares at the U.S. Subscription Price (the "**U.S. Subscription**"). The Initial Placing together with the U.S. Subscription constitutes the "**Issue**".

The target sized of the Issue is such that, taking into account the value of the Seed Assets to be contributed to the Company pursuant to the terms of the Liquidation Scheme, the Net Proceeds are in excess of €300 million. The number of Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds and the Net Issue Proceeds and form of consideration, is not known as at the date of this prospectus but will be notified by the Company via an RIS announcement prior to First Admission.

First Admission, the issuance of the Roll-over Shares and the issuance of any Issue Shares pursuant to the U.S. Subscription are not conditional on any Issue Shares being issued pursuant to the Initial Placing and, subject to the Minimum Net Proceeds being raised, First Admission will proceed even if the Initial Placing does not proceed. First Admission will not proceed if the Minimum Net Proceeds are not raised. For the purpose of calculating the Minimum Net Proceeds, the Issue Price of any Sterling Shares (if issued) shall be converted into Euros using the exchange rate of £1.00: €1.40.

Commitments under the Initial Placing must be received by 3.00 p.m. on 1 May 2015 (or such later time or date, not being later than 8 June 2015, as the Company and Dexion may agree). Commitments under the U.S. Subscription must be received by 10.00 a.m. on 5 May 2015. If the Issue is extended, the revised timetable will be notified through an RIS announcement.

The Initial Placing is conditional, amongst other things, on:

- the Placing Agreement becoming wholly unconditional (save as to First Admission) and not having been terminated in accordance with its terms prior to First Admission;
- First Admission occurring by 8.00 a.m. on 8 May 2015 (or such later date, not being later than 8 June 2015, as the Company and Dexion may agree); and
- the Minimum Net Proceeds being raised on First Admission.

Investment vehicles managed or advised by members of the Chenavari Financial Group may subscribe for Shares in the Issue.

No expenses or taxes will be specifically charged to Placees or subscribers in the U.S. Subscription. The terms and conditions which will apply to any Placee procured by Dexion pursuant to the Initial Placing are contained in Part X of this prospectus.

Where, due to the minimum size requirement of the Sterling Share Class noted above, it is determined by the Company (in consultation with Dexion) that no Sterling Shares shall be issued pursuant to the Issue, any Placees who has subscribed for Sterling Shares shall automatically be deemed to have irrevocably subscribed for Euro Shares.

Each Placee will be deemed to have represented, warranted, acknowledged and agreed to the representations, warranties, acknowledgements and agreements set out in paragraphs 5 and 6 of Part X of this prospectus.

Each subscriber in the U.S. Subscription will be required to provide various representation, warranties and acknowledgments to the Company which will be set out in a specific subscription agreement to be provided to such subscribers.

The Company, the AIFM, the Portfolio Manager, Dexion, and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of those representations, warranties, acknowledgments and agreements.

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

Commitments under the Issue, once made, may not be withdrawn without the consent of the Directors. The minimum subscription per Placee or Subscriber in the U.S. Subscription for Euro Shares shall be €50,000 and in the case of Sterling Shares the Sterling equivalent of €50,000 (currently approximately £35,800). The Directors reserve the right to waive these minimum subscription levels in any particular circumstances.

The Specialist Fund Market and the CISEA

Pursuant to its admission to the Specialist Fund Market, the Company will be subject to the Prospectus Rules, the Disclosure and Transparency Rules and the Market Abuse Directive (as implemented in the UK through FSMA). In addition the listing rules applicable to all investment companies whose shares are listed and admitted to trading on the CISEA will apply to the Company.

Scaling back

The Directors have reserved the right, in consultation with Dexion and the Portfolio Manager, to scale back the Initial Placing depending upon the number of Roll-over Shares to be issued and Issue Shares to be issued pursuant to the U.S. Subscription and the Net Proceeds on First Admission.

The Placing Agreement

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

The Placing Agreement provides for Dexion to be paid commission in respect of the Shares to be allotted pursuant to the Initial Placing. The commissions due to Dexion under the Placing Agreement will be paid by the Company as further described in Part IV of this prospectus.

Further details of the terms of the Placing Agreement are set out in paragraph 6.1 of Part IX of this prospectus.

First Admission

First Admission is expected to take place at 8.00 a.m. on 8 May 2015. An investor applying for Shares in the Initial Placing may elect to receive Shares in certificated or uncertificated form. Shares issued pursuant to the U.S. Subscription will be issued in certificated form only (except with the consent of the Company). The Shares are in registered form. No temporary documents of title will be issued. Dealings in Shares in advance of the crediting of the relevant stock account shall be at the risk of the persons concerned. It is expected that CREST accounts will be credited on 8 May 2015 in respect of Shares issued in uncertificated form and definitive share certificates in respect of Shares held in certificated form will be despatched by normal post during the week commencing 18 May 2015.

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

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of

Shares under the CREST system. The Company has applied for the Shares to be admitted to CREST with effect from First Admission. Accordingly, settlement of transactions in the Shares following First Admission may take place within the CREST system if any Shareholder so wishes.

Use of proceeds

All of the Net Issue Proceeds will be invested in accordance with the Company's investment policy, save to the extent retained for working capital purposes and subject to the availability of sufficient investment opportunities.

Overseas Persons

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

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

No person receiving a copy of this prospectus in any territory other than the UK may treat the same as constituting an offer or invitation to him/her, unless in the relevant territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements. In particular, Shares will only be offered to the extent that the Company: (i) is permitted to be marketed into the relevant EEA jurisdiction pursuant to either Article 36 or 42 of the AIFM Directive (if as implemented into local law); or (ii) can otherwise be lawfully offered or sold (including on the basis of an unsolicited request from a professional investor).

Investors should additionally consider the provisions set out under the heading Important Notices on pages 46 to 51 of this prospectus.

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

PART VI

THE PLACING PROGRAMME

The Placing Programme

The Company has authority to issue Shares and/or C Shares, (denominated either in Euros or Sterling) pursuant to the Placing Programme. The number of Shares available under the Placing Programme is intended to be flexible. The Placing Programme will be used to satisfy market demand for the Shares and to raise further money for investment in accordance with the Company's investment policy.

The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Shares over a period of time. Further issues of Shares will only be made if the Directors determine such issues to be in the best interests of Shareholders and the Company as a whole. Relevant factors in making such determination include the Company's performance and Net Asset Value, the premium at which the Shares trade and perceived investor demand. Shares will only be issued at prices which, taking account of issue expenses, are not less than the last reported Net Asset Value per Share of the relevant Class.

The Placing Programme will open on First Admission and will close on 27 April 2016 (or any earlier date at the discretion of the Directors). The terms and conditions which shall apply to any application for Shares procured by Dexion pursuant to the Placing Programme are set out in Part X of this prospectus.

In parallel with the Placing Programme, the Company may make further limited subscription offers directly to certain U.S. Persons who are Qualified Institutional Buyers to subscribe for Shares.

A subsequent placing under the Placing Programme may take place within 60 days of First Admission at a Placing Programme Price calculated by reference to premium of two per cent. to latest Net Asset Value per Share as more particularly set out below. The net proceeds of such subsequent placing together with any parallel U.S. subscription, will be capped such that, when aggregated with the Net Proceeds, the total is no more than €450 million.

Shares will, subject to the Company's decision to proceed with an allotment at any given time, be made available at the Placing Programme Price to investors. No Shares will be issued at a discount to the Net Asset Value per Share of the relevant Class at the time of the relevant allotment. No Sterling Shares shall be issued pursuant to a placing under the Placing Programme if following the issue of such Shares the total number of Sterling Shares in issue shall be less than 5 million Sterling Shares.

Where due to the minimum size requirement of the Sterling Share Class noted above, it is determined by the Company (in consultation with Dexion) that no Sterling Shares shall be issued pursuant to a placing any Placee who has subscribed for Sterling Shares shall automatically be deemed to have irrevocably subscribed for Euro Shares.

The allotment of Shares under the Placing Programme (and pursuant to any subsequent U.S. subscription) is at the discretion of the Directors. Allotments may take place at any time prior to the final closing date of 27 April 2016 (or any earlier date on which it is fully subscribed). An announcement of each allotment will be released through a RIS, including details of the number of Shares allotted and the Placing Programme Price for the allotment.

There is no minimum subscription under the Placing Programme (or any subsequent U.S. subscription). The Placing Programme is not being underwritten and, as at the date of this prospectus, the actual number of Shares to be issued under the Placing Programme (and pursuant to any subsequent U.S. subscription) is not known.

The conditions

Each allotment and issue of Shares pursuant to the Placing Programme is conditional on, amongst other things:

(a) the Placing Agreement not having been terminated in accordance with its terms; and

(b) the Admission of those Shares.

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

The Placing Programme Price

Except in the case of C Shares, the minimum price at which the Shares will be issued pursuant to the Placing Programme (or any subsequent U.S. subscription), which will be denominated in either Euros or Sterling, will be calculated by reference to the estimated prevailing Net Asset Value of the existing Shares of the relevant Class cum-income together with a premium sufficient to cover the costs and expenses of issuing such Shares (including, without limitation, any placing commissions). Fractions of Shares will not be issued. C Shares will be issued at a price of €1.00 per Euro C Share and £1.00 per Sterling C Share.

Where Shares are issued, the total assets of the Company will increase by that number of Shares multiplied by the relevant Placing Programme Price less brokers' commission and any other incidental expenses. It is not expected that there will be any material impact on the earnings and Net Asset Value per Share, as the net proceeds of the Placing Programme (or any subsequent U.S. subscription), after providing for the Company's operational expenses, will be invested in accordance with the Company's investment policy.

Costs of the Placing Programme

The costs of the Placing Programme, including the commissions payable to Dexion on the Shares issued pursuant to the Placing Programme, are expected to be recouped through the cumulative premium at which the relevant Shares are issued pursuant to the Placing Programme.

Use of Proceeds

The total net proceeds of the Placing Programme (or any subsequent U.S. subscription) will depend on the number of Shares issued pursuant to the Placing Programme (or any subsequent U.S. subscription) and the relevant Placing Programme Prices. The Directors intend to use the net proceeds of each placing under the Placing Programme (or any subsequent U.S. subscription), after costs, to acquire investments in accordance with the Company's investment policy as well as to fund the Company's operational expenses.

Subsequent Admission

Application will be made to the London Stock Exchange for all of the Shares being offered pursuant to the Placing Programme (or any subsequent U.S. subscription) to be admitted to trading on the Specialist Fund Market and to listing and trading on the official list of the CISEA. It is expected that Admission will become effective and that dealings for normal settlement in the Shares will commence on a number of dates during the period from First Admission to 27 April 2016. All Shares issued pursuant to the Placing Programme (or any subsequent U.S. subscription) will be allotted conditionally on such Subsequent Admission occurring.

The Shares issued pursuant to the Placing Programme (or any subsequent U.S. subscription) will rank *pari passu* with the Shares of the relevant Class then in issue. The Shares will be issued in registered form. It is anticipated that dealings in the Shares will commence approximately three Business Days after their allotment. Dealing in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. Whilst it is expected that all Shares allotted pursuant to the Placing Programme (or any subsequent U.S. subscription) will be issued in uncertificated form (except with the consent of the Company), if any Shares are issued in certificated form it is expected that share certificates will be despatched within ten Business Days of the relevant allotment date.

Settlement

Payment for Shares issued under the Placing Programme will be made through CREST or through Dexion, in any such case in accordance with settlement instructions to be notified to Placees by Dexion. In the case of those subscribers not using CREST, monies received by Dexion will be held in a segregated client account pending settlement.

To the extent that any placing commitment is rejected in whole or in part, any monies received will be returned without interest at the risk of the Placee.

CREST

Settlement for transactions in 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 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.

Overseas Persons

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

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

No person receiving a copy of this prospectus in any territory other than the UK may treat the same as constituting an offer or invitation to him/her, unless in the relevant territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements. In particular, Shares will only be offered to the extent that the Company: (i) is permitted to be marketed into the relevant EEA jurisdiction pursuant to either Article 36 or 42 of the AIFM Directive (if as implemented into local law); or (ii) can otherwise be lawfully offered or sold (including on the basis of an unsolicited request from a professional investor).

Investors should additionally consider the provisions set out under the heading Important Notices on pages 46 to 51 of this prospectus.

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

PART VII

PURCHASE AND TRANSFER RESTRICTIONS

This prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or the AIFM or the Portfolio Manager.

Shares are subject to the restrictions described below and in paragraph 6 of Part X of this prospectus on the issue and on the future trading of the Shares so that the Company will not be required to register the Shares under the U.S. Securities Act, so that the Company will not have an obligation to register as an investment company under the U.S. Investment Company Act and related rules and so that the Company will not have to address certain ERISA, U.S. Code and other considerations. These transfer restrictions may adversely affect the ability of Shareholders to trade such securities. Due to the restrictions described below, potential investors are advised to consult legal counsel prior to making any offer, resale, exercise, pledge or other transfer of the Shares.

Restrictions due to lack of registration under the U.S. Securities Act and U.S. Investment Company Act and ERISA restrictions

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States.

The Shares are being offered and sold, (i) outside the United States in reliance on Regulation S under the U.S. Securities Act and (ii) inside the United States to a limited number of institutional investors that are reasonably believed to be QIBs that are also QPs and QEPs, in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act in a transaction not involving any public offering in the United States.

Moreover, the Company has not been and will not be registered under the U.S. Investment Company Act as an investment company and investors will not be entitled to the benefits of registration.

The Shares may only be offered, sold, transferred, assigned or otherwise disposed of in compliance with an exemption from the registration requirements of the U.S. Securities Act and under circumstances which (a) will not require the Company to register under the U.S. Investment Company Act; and (b) will not result in the assets of the Company constituting ''plan assets'' within the meaning of the Employee Retirement Income Security Act of 1974, as amended (''**ERISA**''), that are subject to Part 4 of Title I of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended (the ''**U.S. Code**''). Any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory and automatic transfer provisions as provided in the Articles and summarised at paragraphs 4.2.6 and 4.2.7 of Part IX of this prospectus.

Investments by U.S. tax-exempt entities – ERISA considerations

Shareholders that are U.S. tax-exempt entities, including, but not limited to, charities, foundations, pension trusts, ''Keogh'' plans and Individual Retirement Accounts (''**IRAs**''), are subject to UBTI (as defined under the heading '' Taxation of U.S. tax exempt Shareholders'' in Part VIII of this prospectus). Under current U.S. tax law, in general, and absent other circumstances such as the investment in the Shares itself being considered a debt-financed investment, dividends to U.S. tax-exempt Shareholders of the Company and capital gains on disposition of the Shares of the Company should not be considered UBTI; however, prospective U.S. tax-exempt Shareholders should consult with and rely solely upon their own tax advisers on this issue.

An investment of employee benefit plan assets in the Shares may raise additional issues under ERISA and the U.S. Code. Certain of these issues are described below.

General fiduciary matters

ERISA and the U.S. Code impose certain duties on persons who are fiduciaries of a Plan (as defined below) and prohibit certain transactions involving the assets of a Plan and its fiduciaries or other interested parties. Under ERISA and the U.S. Code, any person who exercises any discretionary authority or control over the administration of a Plan; who exercises any authority or control over the management or disposition of the assets of a Plan; who renders investment advice for a fee or other compensation to a Plan; or who has any discretionary authority or discretionary responsibility in the administration of such Plan, is generally considered to be a fiduciary of the Plan.

In considering an investment in the Company of a portion of the assets of any employee benefit plan (including a ''Keogh'' plan) subject to the fiduciary and prohibited transaction provisions of ERISA or the U.S. Code or similar provisions under applicable state law (collectively, a ''**Plan**''), a fiduciary should determine, in light of the high risks and lack of liquidity inherent in an investment in the Shares, whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA or similar law relating to a fiduciary's duties to the Plan. Furthermore, absent an exemption, the fiduciaries of a Plan should not purchase Shares with the assets of any Plan, if the AIFM and/or the Portfolio Manager or any Affiliate thereof is a fiduciary or other ''party in interest'' or ''disqualified person'' (collectively, a ''**party in interest**'') with respect to the Plan.

Plan assets

Regulations promulgated under ERISA by the U.S. Department of Labor, as modified by Section 3(42) of ERISA (the ''**Plan Asset Regulations**''), generally provide that when a Plan subject to Part 4 of Title I of ERISA or Section 4975 of the U.S. Code acquires an equity interest in an entity that is neither a ''publicly-offered security'' nor a security issued by an investment company registered under the U.S. Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established either that equity participation in the entity by Benefit Plan Investors is not ''significant'' or that the entity is an ''operating company'' (in each case, as defined in the Plan Asset Regulations). For purposes of the Plan Asset Regulations, equity participation in an entity by Benefit Plan Investors will not be ''significant'' if, as of any acquisition, transfer or redemption, they own, in the aggregate, less than 25 per cent. of the value of any class of such entity's equity, excluding equity interests held by persons (other than a Benefit Plan Investor) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates thereof. For purposes of this 25 per cent. test (the ''**Benefit Plan Investor Test**''), ''benefit plan investors'' include employee benefit plans subject to the provisions of Part 4 of subtitle B of Title I of ERISA, plans subject to Section 4975 of the U.S. Code, including ''Keogh'' plans and IRAs, and entities (''**Plan Asset Entities**'') which are deemed to hold the assets of any of the foregoing types of plans as a result of any such plans' investment in the entity. The following are not included in the definition of a Benefit Plan Investor: pension plans maintained by foreign corporations outside the United States, plans established by the United States Government, any U.S. State or any agency or instrumentality for their employees (''**governmental plans**''), and certain church plans exempt from tax under the U.S. Code. Thus, absent satisfaction of another exception under the Plan Asset Regulations, if 25 per cent. or more of the value of any Class of Shares of the Company were owned by Benefit Plan Investors, an undivided interest in each of the underlying assets of the Company would be deemed to be ''plan assets'' of any Plan or Plan Asset Entity subject to Part 4 of Title I of ERISA or Section 4975 of the U.S. Code that invested in the Company.

The Shares will not constitute ''publicly offered'' securities or securities issued by an investment company registered under the U.S. Investment Company Act and it is not expected that the Company will qualify as an ''operating company'' under the Plan Asset Regulations. Consequently, the Company intends to use reasonable efforts to limit the ownership of Shares by Plans and Plan Asset Entities subject to Part 4 of Title I of ERISA or Section 4975 of the U.S. Code to ensure that investment by Benefit Plan Investors in the Company will not be ''significant'' for purposes of the Plan Asset Regulations by limiting equity participation by Benefit Plan Investors in the Company to less than 25 per cent. of the value of any class of shares in the Company as described above. In addition, the Company has implemented measures in its Articles to try to ensure that the Company always meets the Benefit Plan Investor Test and Benefit Plan Investors

can never hold, in aggregate, 25 per cent. or more of the value of any Class of Shares in the Company (for further details of these provisions please see paragraph 4.2.7 of Part IX of this prospectus). However, each Plan fiduciary should be aware that there is no assurance that these provisions of the Articles will be upheld in all circumstances and even if the Benefit Plan Investor Test were met at the time a Plan acquires Shares in the Company, the exemption could become unavailable at a later date as a result, for example, of subsequent acquisitions, transfers or redemptions of Shares, and that Shares held by Benefit Plan Investors may be subject to mandatory transfer in such event in order for the Company to continue to meet the Benefit Plan Investor Test.

Furthermore, there can be no assurance that, notwithstanding the reasonable efforts of the Company, the structure of particular investments of the Company will otherwise satisfy other exemptions in the Plan Asset Regulations or that the underlying assets of the Company will not otherwise be deemed to include plan assets.

Plan asset consequences

If the assets of the Company were deemed to be ''plan assets'' under ERISA, (i) the prudence and other fiduciary responsibility standards of Part 4 of Title I of ERISA would extend to investments made by the Company and (ii) certain transactions in which the Company might seek to engage could constitute ''prohibited transactions'' under ERISA and the U.S. Code, among other consequences. If a prohibited transaction occurs for which no exemption is available, the AIFM and/or the Portfolio Manager and any other fiduciary that has engaged in the prohibited transaction could be required (x) to restore to the Plan any profit realised on the transaction and (y) to reimburse the Plan for any losses suffered by the Plan as a result of the investment. In addition, each party in interest involved could be subject to an excise tax equal to 15 per cent. of the amount involved in the prohibited transaction for each year the transaction continues and, unless the transaction is corrected within statutorily required periods, to an additional tax of 100 per cent. of the amount involved. Plan fiduciaries that decide to invest in the Shares could, under certain circumstances, be liable for prohibited transactions or other violations as a result of their investment in the Company or as co-fiduciaries for actions taken by or on behalf of the Company or the AIFM and/or the Portfolio Manager. With respect to an IRA that invests in the Shares, the occurrence of a prohibited transaction involving the individual who established the IRA, or his or her beneficiaries or other ''disqualified persons'', could cause the IRA to lose its tax-exempt status.

The Board will have the power to take certain actions to avoid having the assets of the Company characterised as plan assets including, without limitation, the right to refuse a subscription and the right to require a Shareholder to transfer part of its Shares or to redeem its equity interest in the Company entirely.

Deemed representations

By participating in the Initial Placing and/or the Placing Programme, each Placee acknowledges and agrees that it will be deemed to represent and warrant that, unless the Company expressly consents in writing otherwise, no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of, (i) an ''employee benefit plan'' as defined in Section 3(3) of ERISA that is subject to Part 4 of Title I of ERISA; (ii) a ''plan'' as defined in and subject to Section 4975 of the U.S. Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements by reason of any such plans' investment in the entity. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Part 4 of Title I of ERISA or Section 4975 of the U.S. Code, its purchase, holding, and disposition of the Shares must not constitute or result in a non-exempt violation of any such substantially similar law. Each plan fiduciary should consult its own legal advisers concerning the considerations discussed above before making an investment in the Shares.

PART VIII

TAXATION

Introduction

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

If you are in any doubt about your tax position, you should consult your professional adviser.

Guernsey

The Directors intend to conduct the Company's affairs such that, based on current law and practice of the relevant tax authorities, the Company will not become resident for tax purposes in any other territory other than Guernsey.

The Company

The Company will apply for and expects to be granted exempt status for Guernsey tax purposes by the Director of Income Tax in Guernsey pursuant to the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. In return for the payment of a fee, currently £1,200, a Registered Closed-ended Collective Investment Scheme, such as the Company, is able to apply annually for exempt status for Guernsey tax purposes.

If exempt status is granted, the Company will not be considered resident in Guernsey for Guernsey income tax purposes. A company that has exempt status for Guernsey tax purposes is exempt from tax in Guernsey on both bank deposit interest and any income that does not have its source in Guernsey. It is not anticipated that any income other than bank interest will arise in Guernsey and therefore the Company is not expected to incur any additional liability to Guernsey tax.

In the absence of exempt status, the Company would be treated as resident in Guernsey for Guernsey income tax purposes and would be subject to a zero rate of income tax.

In response to the review carried out by the European Union Code of Conduct Group ("**EUCCG**"), the States of Guernsey has abolished exempt status for the majority of companies and introduced a zero rate of tax for companies carrying on all but a few specified types of regulated business. The States of Guernsey has also agreed that, as collective investment schemes were not one of the regimes in Guernsey that were classified by the EUCCG as being harmful, such schemes, such as the Company, would continue to be able to apply for exempt status for Guernsey tax purposes.

A review of Guernsey's corporate regime was announced by the States of Guernsey in October 2009, again in response to further comments from the EUCCG. A consultation document was issued on 21 June 2010. The EUCCG reviewed Guernsey following similar reviews of other crown dependencies in 2011, and then reported that Guernsey's deemed distribution regime was not compliant with the EU Code of Conduct (the "**EU Code**"). The States of Guernsey responded by agreeing to abolish deemed distributions to subsequently allow Guernsey to become EU Code compliant and for the States of Guernsey review of its company tax regime to be concluded. The EUCCG confirmed in September 2012 that Guernsey's tax regime would then conform to the EU Code and this was ratified by the EU Economic and Financial Affairs Council in December 2012. The States of Guernsey abolished deemed distributions with effect from 1 January 2013. Again, collective investment schemes have not been affected and can continue to apply for exempt tax status.

The Policy Council of the States of Guernsey has stated that it may consider further revenue raising measures in the future, including the possible introduction of a goods and services tax, depending on the state of Guernsey's public finances at the time.

Shareholders

Non-Guernsey resident Shareholders will not be subject to any income tax in Guernsey in respect of or in connection with the acquisition, holding or disposal of any Shares owned by them. Such Shareholders will receive dividends without deduction of Guernsey income tax.

Any Shareholders who are resident for tax purposes in Guernsey, Alderney or Herm will incur Guernsey income tax on any dividends paid on Shares owned by them but will suffer no deduction of tax by the Company from any such dividends payable by the Company where the Company is granted exempt status. The Company is required to provide details of distributions made to Shareholders resident in the Islands of Guernsey, Alderney and Herm to the Director of Income Tax in Guernsey.

At present Guernsey does not levy taxes upon capital gains, capital transfer, wealth, inheritance, gifts, sales or turnover, nor are there any duties save for an *ad valorem* fee for the grant of probate or letters of administration. No stamp duty is chargeable in Guernsey on the issue, transfer, switching or redemption of Shares in the Company.

EU Savings Tax Directive

Guernsey has introduced measures that are equivalent to those contemplated by the EU Savings Tax Directive. From 1 July 2011 paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any interest payment to individuals resident in the contracting EU Member States which falls within the scope of the EU Savings Tax Directive as applied in Guernsey. However, paying agents located in Guernsey are not required to operate the measures on payments made by closed-ended investment companies established in Guernsey, such as the Company. This is on the basis that the Company should not be regarded as an undertaking for collective investment that is equivalent to an Undertaking for Collective Investment in Transferable Securities in accordance with EC Directive 85/611/EEC (as recast by EC Directive 2009/65/EC (recast)) for the purposes of the application in Guernsey of the bilateral agreements on the taxation of savings income entered into by Guernsey with the EU Member States. It is unclear whether paying agents in other jurisdictions that have implemented the EU Savings Directive or equivalent measures will also view the Company as outside the scope of the EU Savings Directive.

The operation of the EU Savings Tax Directive was reviewed by the European Commission and Council Directive 2014/48/EU was adopted on 24 March 2014 which amends the EU Savings Tax Directive. It is not yet known what these measures are likely to be but a number of proposed changes may significantly widen its scope to additional types of funds and could lead to the Fund being required to comply with the EU Savings Directive. As a result it is expected that the Company could also be subject to equivalent measures. The amending directive will have effect from 1 January 2017. Prospective investors are recommended to check how the amending directive will impact on their investment.

Overseas dividends

Dividends (if any) and interest which the Company receives with respect to investments (other than securities of Guernsey issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located. In the event that the Company receives any repayment of withholding tax suffered, the NAV of the Company will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of such repayment.

U.S.-Guernsey Intergovernmental agreement

On 13 December 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the U.S. ("**U.S.-Guernsey IGA**") regarding the implementation of FATCA, under which certain disclosure requirements will be imposed in respect of certain investors in the Company who are, or being entities are controlled by one or more, residents or citizens of the U.S. The U.S.-Guernsey IGA is implemented through Guernsey's domestic legislation, in accordance with guidance which is currently published in draft form. Accordingly, the full impact of the U.S.-Guernsey IGA on the Company and the Company's reporting responsibilities pursuant to the U.S.-Guernsey IGA as implemented in Guernsey is currently uncertain.

UK-Guernsey Intergovernmental agreement

On 22 October 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the UK ("**UK-Guernsey IGA**") under which certain disclosure requirements will be imposed in respect of certain investors in the Company who are, or being entities are controlled by one or more, residents of the UK. The UK-Guernsey IGA is implemented through Guernsey's domestic legislation, in accordance with guidance which is currently published in draft form. Accordingly, the full impact of the UK-Guernsey IGA on the Company and the Company's reporting responsibilities pursuant to the UK-Guernsey IGA as implemented in Guernsey is currently uncertain.

Multilateral Competent Authority Agreement for Automatic Exchange of Taxpayer Information

On 13 February 2014, the Organisation for Economic Co-operation and Development released a "Common Reporting Standard" ("**CRS**") designed to create a global standard for the automatic exchange of financial account information, similar to the information to be reported under FATCA. On 29 October 2014, fifty-one jurisdictions signed a multilateral competent authority agreement ("**Multilateral Agreement**") that activates this automatic exchange of FATCA-like information in line with the CRS. Pursuant to the Multilateral Agreement, certain disclosure requirements may be imposed in respect of certain investors. Both Guernsey and the UK have signed up to the Multilateral Agreement, but the US has not signed the Multilateral Agreement. Early adopters who signed the Multilateral Agreement (including Guernsey) have pledged to work towards the first information exchanges taking place by September 2017. Others are expected to follow with information exchange starting in 2018. Guidance regarding the implementation of the CRS and the Multilateral Agreement in Guernsey is yet to be published in finalised form. Accordingly, the full impact of the CRS and the Multilateral Agreement on the Company and the Company's reporting responsibilities pursuant to the Multilateral Agreement as it will be implemented in Guernsey is currently uncertain.

United Kingdom

The statements set out below in relation to certain UK taxes are not applicable to all categories of holders of Shares and in particular are not addressed to: (i) UK non-resident holders who hold Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or, in the case of a corporate holder, through a permanent establishment or otherwise); or (ii) UK resident holders who are not domiciled in the UK.

The Company

The Directors have been advised that, following certain changes to the UK tax rules regarding "alternative investment funds", implemented by the Finance Act 2014 and contained in section 363A of the Taxation (International and other Provisions) Act 2010, the Company should not be resident in the UK for UK tax purposes. Accordingly, and provided that the Company does not carry on a trade in the UK (whether through a branch, agency or permanent establishment situated there), the Company will not be subject to UK income tax or corporation tax other than on any UK-sourced income.

Shareholders

This section provides general guidance for Shareholders who are United Kingdom resident for United Kingdom tax purposes and hold their Shares as investments and not as trading stock.

UK Offshore Fund Rules

If the Company meets the definition of an "offshore fund" for the purpose of UK taxation, then in order for a UK Shareholder to be taxed under the capital gains tax regime (rather than on an income basis) on disposal of Shares, the Company must apply to HM Revenue & Customs to be treated as a reporting fund and maintain reporting fund status throughout the period in which the UK Shareholder holds the Shares.

The Directors are of the opinion that, under current law, the Company should not be an "offshore fund" for the purposes of UK taxation and legislation, contained in Part 8 of the Taxation (International and Other Provisions) Act 2010, should not apply.

On this basis, Shareholders (other than those holding Shares as dealing stock, who are subject to separate rules) who are resident in the UK, or who carry on business in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected,

may, depending on their circumstances and subject as mentioned below, be liable to UK tax on chargeable gains realised on the disposal of their Shares.

Tax on chargeable gains

A disposal of Shares by a Shareholder who is resident in the United Kingdom for United Kingdom tax purposes or who is not so resident but carries on business in the United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains or capital gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

For individual Shareholders capital gains tax at the rate of 18 per cent. (for basic rate taxpayers) or 28 per cent. (for higher or additional rate taxpayers) will be payable on any gain. For Shareholders that are bodies corporate resident in the United Kingdom any gain will be within the charge to corporation tax. Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance, which presently exempts the first £11,000 of gains from tax for the tax year 2014-15) depending on their circumstances. Shareholders that are bodies corporate resident in the United Kingdom for taxation purposes will benefit from indexation allowance which, in general terms, increases the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index.

Corporate Shareholders resident in the United Kingdom will be subject to corporation tax on chargeable gains at their applicable corporation tax rate which is currently 20 per cent. with effect from 1 April 2015.

Dividends

Individuals who are Shareholders resident in the United Kingdom for tax purposes will be liable to UK income tax in respect of dividends or other income distributions of the Company. An individual Shareholder resident in the UK for tax purposes and in receipt of a dividend from the Company will, provided they own less than 10 per cent. of the Shares, be entitled to claim a non-repayable dividend tax credit equal to one-ninth of the dividend received. The effect of the dividend tax credit would be to extinguish any further tax liability for eligible basic rate taxpayers (who currently pay tax at the dividend ordinary rate of 10 per cent.). The effect for current eligible higher rate taxpayers (who pay tax at the current dividend upper rate of 32.5 per cent.) would be to reduce their effective tax rate to 25 per cent. of the cash dividend received. United Kingdom resident individuals taxpayers who pay income tax at the additional rate on income in excess of £150,000 will be subject to 37.5 per cent. tax on dividends (reduced to approximately 30.6 per cent. of the cash dividend received for eligible taxpayers as a result of applying the tax credit).

Shareholders that are bodies corporate resident in the United Kingdom for tax purposes, and that are not small companies, may be able to rely on Part 9A of the Corporation Tax Act 2009 to exempt dividends from being chargeable to UK corporation tax if they hold less than 10 per cent. of the issued share capital of the Company, and are entitled to less than 10 per cent. of the profits or assets of the Company available for distribution, or another exemption is applicable.

Non-UK resident Shareholders

A Shareholder who is not resident in the UK for UK tax purposes will not be liable to income or corporation tax in the UK on dividends paid on the Shares unless such a Shareholder carries on a trade (or profession or vocation) in the UK and the dividends are either a receipt of that trade or, in the case of corporation tax, the dividends are receipts of a trade carried on by the Shareholder through a UK permanent establishment.

*Stamp duty and Stamp Duty Reserve Tax ("**SDRT**")*

No UK stamp duty or SDRT will arise on the issue of Shares.

No UK stamp duty will be payable on a transfer of Shares, provided that all instruments effecting or evidencing the transfer (or matters or things done in relation to the transfer) are not executed in the United Kingdom and no matters or actions relating to the transfer are performed in the United Kingdom.

Provided that the Shares are not registered in any register kept in the United Kingdom by or on behalf of the Company and that the Shares are not paired with shares issued by a company incorporated in the United Kingdom, any agreement to transfer the Shares will not be subject to UK SDRT.

*Individual Savings Accounts ("**ISAs**") and Small Self Administered Schemes ("**SSASs**")/Self-Invested Personal Pensions ("**SIPPs**")*

Shares acquired pursuant to the Issue will not be eligible to be held in an ISA. Shares acquired in the secondary market following First Admission should be eligible for inclusion in a stocks and shares ISA, subject to applicable subscription limits. Investors resident in the United Kingdom who are considering acquiring Shares in the secondary market are recommended to consult their own tax and/or investment advisers in relation to the eligibility of the Shares for ISAs and SSAS/SIPPs.

On 1 July 2014, all existing ISAs became New ISAs ("**NISAs**"). The annual NISA investment allowance is flexible to allow saving up to £15,000 in cash, stocks and shares or any combination of the two for the tax year 2014 to 2015.

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

Other United Kingdom tax considerations

Transfer of Assets Abroad

Individuals resident in the UK should note that Chapter II of Part 13 of the Income Tax Act 2007, which contains provisions for preventing avoidance of income tax by transactions resulting in the transfer of assets to persons (including companies) abroad, may render them liable to taxation in respect of any undistributed income and profits of the Company.

Transactions in Securities

The attention of UK resident Shareholders is drawn to the provisions of (in the case of a UK resident individual Shareholder) Chapter 1 of Part 13 Income Tax Act 2007 and (in the case of a UK resident corporate Shareholder) Part 15 of the Corporation Tax Act 2010, which give powers to HMRC to cancel tax advantages derived from certain transactions in securities.

Controlled Foreign Companies

UK resident corporate Shareholders should be aware of the ''controlled foreign companies'' rules contained in Part 9A of the Taxation (International and Other Provisions) Act 2010 (which replace the old regime in Part 17 of the Income and Corporation Taxes Act 1988 in relation to accounting periods of non-UK resident companies beginning on or after 1 January 2013). These rules can result in the ''chargeable profits'' of a non-UK resident company which is controlled or deemed to be controlled by UK tax resident persons (a ''**CFC**'') being apportioned to and subject to a UK corporation tax-equivalent charge in the hands of UK tax resident companies which have ''relevant interests'' in the CFC (which include ''relevant interests'' held by a bare trustee or nominee). A holding of Shares could qualify as a ''relevant interest'' for these purposes if the Company is or were to become a CFC. However no apportionment would be made to a Shareholder unless that Shareholder (together with any persons connected or associated with it) would have at least 25 per cent. of the Company's profits apportioned to it on a ''just and reasonable'' basis. Persons who may be treated as ''connected'' or ''associated'' with each other for these purposes include two or more companies one of which controls the other(s) or all of which are under common control.

Close company

If the Company is controlled by five or fewer participators or otherwise would be a ''close company'' for United Kingdom tax purposes if resident in the United Kingdom, in certain circumstances, a portion of capital gains made by the Company can be attributed to a Shareholder who holds, alone or together with associated persons, more than 25 per cent. of the Shares.

If any Shareholder is in doubt as to his taxation position, he is strongly recommended to consult an independent professional adviser without delay.

United States

The following is a summary of certain U.S. federal income tax considerations related to the purchase, ownership and disposition of Shares by a Shareholder that purchases Shares pursuant to the Issue. The discussion is based upon the U.S. Code, U.S. Treasury regulations promulgated thereunder (the ''**Regulations**''), judicial authorities, published positions of the IRS and other applicable authorities, all as in effect on the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect). This discussion is for general information only and does not address all of the tax consequences that may be relevant to a particular investor in light of such investor's specific circumstances or to certain categories of investors

subject to special treatment under U.S. federal income tax laws (such as banks and certain other financial institutions, insurance companies, regulated investment companies, real estate investment trusts, dealers in securities, commodities or currencies, persons that own (directly, indirectly or through attribution) 10 per cent. or more of the Company's voting stock, persons that have a functional currency that is not the U.S. dollar, persons that received their Shares as compensation for the performance of services, persons who hold Shares as part of a straddle, hedge, conversion transaction or other integrated investment, persons that have elected ''mark-to-market'' accounting, or persons that hold their Shares through a partnership or other entity which is a pass-through entity for U.S. federal income tax purposes). This discussion does not address any U.S. state or local or non-U.S. tax considerations or any U.S. federal estate, gift or alternative minimum tax considerations This discussion is limited to Shareholders that hold their Shares as capital assets (within the meaning of Section 1221 of the Code). No ruling has been or will be sought from the IRS or any other U.S. federal, state or local agency with respect to any of the tax issues affecting the Company, and counsel to the Company has not rendered any legal opinion regarding any tax consequence relating to the Company or any investment in the Company. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax considerations described below. Prospective Shareholders should consult their tax advisers concerning the application of the U.S. federal income tax laws to their particular situations, as well as any consequences of the purchase, ownership and disposition of Shares arising under the laws of any other taxing jurisdiction.

For purposes of this discussion, (a) a ''U.S. Holder'' means a beneficial owner of Shares that, for U.S. federal income tax purposes, is (i) a citizen or resident of the United States, (ii) a corporation created or organised in or under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust (1) if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) that has a valid election in effect under applicable Regulations to be treated as a domestic trust and (b) a ''Non-U.S. Holder'' means a beneficial owner of Shares that, for U.S. federal income tax purposes, is an individual, corporation, trust or estate and that is not a U.S. Holder.

If a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Shares, the tax treatment of such partnership and a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Partnerships and their partners should consult their tax advisers the U.S. federal income tax considerations applicable to it and its partners of the purchase, ownership and disposition of Shares.

Tax status of the Company

The Company will be treated as a corporation for U.S. federal income tax purposes. Thus, the income, gains, losses, deductions and expenses of the Company will not be passed through to the Shareholders, and all distributions by the Company to the Shareholders will be treated for U.S. federal income tax purposes as dividends, return of capital and/or capital gain. This discussion is based on the assumption that the Shares are at all times treated as stock in a corporation that is not created or organised in or under the laws of the United States or any political subdivision thereof.

Tax treatment of the Company

FDAP income

The Company generally will be subject to U.S. federal withholding tax at the rate of 30 per cent. with respect to any U.S. source interest (subject to certain exemptions), dividends and certain other fixed and determinable annual or periodical (''**FDAP**'') income derived by the Company. While U.S. source ''portfolio interest'' is exempt from this withholding tax, there can be no assurance that all of the Company's U.S. source interest income will qualify for the ''portfolio interest'' exemption.

Effectively connected income

The Company generally will not be considered to be engaged in a trade or business in the United States if (i) any business activities in the United States of the Company consist solely of investing in and/or trading stocks or securities, commodities of a kind customarily dealt in on an organised commodity exchange (if the transaction is of a kind customarily consummated at such place) and

derivatives for its own account; (ii) the Company is not considered a dealer in stocks, securities or commodities, and does not regularly offer to enter into, assume, offset, assign, or terminate positions in derivatives with customers; and (iii) any entity in which the Company acquires an equity interest and that is treated as a disregarded entity or partnership for U.S. federal income tax purposes is not engaged in, or deemed to be engaged in, a trade or business in the United States.

Given the nature of the investment activities of the Company, the Directors do not expect that the Company will be treated as engaged in a trade or business in the United States, as determined for U.S. federal income tax purposes. Assuming that the Company is not engaged in the conduct of a trade or business in the United States, income and gain earned by the Company will not be subject to regular U.S. federal income taxation. No assurances can be given in this regard, however. Furthermore, if the Company acquired an equity interest in a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) that is engaged in a trade or business in the United States, the Company generally would be treated as engaged in such trade or business in the United States. If, contrary to expectations, the Company were engaged in, or deemed to be engaged in, a trade or business in the United States, then any income attributable or allocable to the Company that is effectively connected with such trade or business generally would be subject to regular U.S. federal income taxation (and may also be subject to a 30 per cent. U.S. branch profits tax), thereby materially adversely affecting the Company's ability to make distributions to Shareholders.

FATCA

Pursuant to FATCA, a 30 per cent. U.S. withholding tax will apply to (a) payments made on or after 1 July 2014, to the Company of U.S. source interest, dividends and certain other types of periodic income from sources inside the United States and (b) the gross proceeds from the disposition of property by the Company that could give rise to U.S. source interest or dividends (regardless of whether any gain or loss is recognised with respect to such disposition) made on or after 1 January 2017, unless, in general, (i) the Company enters into an agreement with the IRS to collect and report the name, address and taxpayer identification number of, and certain other information relating to, certain United States persons that invest, directly or indirectly (including through foreign entities having substantial United States owners), in the Company, and to withhold tax at a rate of 30 per cent. on any ''passthru payments'' made to any investor that fails to furnish certain information requested by the Company to satisfy its obligations under such agreement or under the Guernsey IGA Legislation (such withholding tax to apply no earlier than January 1, 2017); or (ii) the Company otherwise qualifies for an exemption from, or is treated as deemed compliant with, such requirements. For this purpose, a ''substantial United States owner'' with respect to a foreign entity (such as the Company) generally includes any United States person that, directly or indirectly, owns more than 10 per cent. of such foreign entity. Although the Company will use commercially reasonable efforts to comply with any requirements that are necessary to avoid the imposition of withholding taxes on payments to the Company pursuant to FATCA, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of FATCA, the return of all Shareholders may be materially affected.

Each Placee will agree to provide the Company at the time or times prescribed by applicable law and at such time or times reasonably requested by the Company such information and documentation prescribed by applicable law and such additional documentation reasonably requested by the Company as may be necessary for the Company to comply with its obligations under FATCA. Prospective Shareholders should consult with their tax advisers regarding the possible implications of FATCA on their investment in the Company.

Taxation of U.S. Holders

Dividends on Shares

Subject to the PFIC rules discussed below, the gross amount of any distribution (including non-cash property) paid by the Company (including any taxes withheld therefrom) with respect to the Shares generally will be included in the gross income of a U.S. Holder as a dividend to the extent such distribution is paid out of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Such dividends will not be treated as ''qualified dividend income'' and, instead, will be subject to tax as ordinary income. Dividends of property other than cash generally will be included in an amount equal to the fair market value of the distributed property on the date the dividends are received. As the Company does not intend to

determine its earnings and profits on the basis of U.S. federal income tax principles, any distribution the Company pays generally will be treated as a dividend for U.S. federal income tax purposes. Dividends received on Shares generally will not be eligible for the dividends-received deduction generally allowed to U.S. corporations.

The amount included in gross income for any dividend paid in currency other than the U.S. dollar (a ''**foreign currency**'') will equal the U.S. dollar value of the foreign currency received, calculated by reference to the exchange rate in effect on the date the dividend is received, regardless of whether the foreign currency is converted into U.S. dollars at such time. If the foreign currency is not converted into U.S. dollars at the date of receipt, a U.S. Holder will have a tax basis in the foreign currency equal to the U.S. dollar amount included in gross income. Any gain or loss on a subsequent conversion or other disposition of the foreign currency will be treated as ordinary income or loss and generally will be U.S. source income or loss for foreign tax credit purposes.

Dividends with respect to the Shares generally will be treated as income from foreign sources for foreign tax credit purposes. A U.S. Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any non-U.S. withholding taxes imposed on dividends received with respect to the Shares. A U.S. Holder who does not elect to claim a foreign tax credit for any non-U.S. tax withheld may instead claim a deduction for U.S. federal income tax purposes in respect of such withholding, but only for a year in which such U.S. Holder elects to do so for all creditable non-U.S. income taxes.

Taxable disposition of Shares

Subject to the PFIC rules discussed below, a U.S. Holder generally will recognise capital gain or loss upon the sale, exchange or other taxable disposition of Shares in an amount equal to the difference between the amount realised upon such disposition and the U.S. Holder's adjusted tax basis in such Shares as of the date of such disposition. Such capital gain or loss generally will be long-term capital gain or loss if the U.S. Holder has held the Shares for more than one year and generally will be U.S. source gain or loss for foreign tax credit purposes. Long-term capital gains recognised by certain non-corporate U.S. Holders (such as individuals) generally are eligible for reduced rates of U.S. federal income tax. The deductibility of a capital loss may be subject to limitations.

A U.S. Holder that receives foreign currency on the disposition of Shares will realise an amount on such disposition equal to the U.S. dollar value of the currency received, calculated by reference to the exchange rate in effect on the date of the disposition (or, in the case of cash basis and electing accrual basis taxpayers, the settlement date). A U.S. Holder will recognise foreign currency gain or loss to the extent of any difference between the U.S. dollar value of the amount received at the exchange rate on the settlement date and the U.S. dollar amount recognised on the date of the disposition. A U.S. Holder will have a tax basis in the foreign currency received equal to the U.S. dollar value of the currency received on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the foreign currency will be treated as ordinary income or loss and generally will be U.S. source income or loss for foreign tax credit purposes.

Additional Tax on Passive Income

Subject to the PFIC rules discussed below, US persons that are individuals, estates or trusts will be required to pay up to an additional 3.8 per cent. tax on the lesser of (1) the US person's ''net investment income'' for the relevant taxable year and (2) the excess of the US person's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between US $125,000 and US $250,000, depending on the individual's circumstances). A US person's ''net investment income'' will generally include, among other things, dividends and capital gains. Such tax will apply to dividends and to capital gains from the sale or other disposition of the Ordinary Shares, unless derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities).

Passive foreign investment company rules

Classification as a PFIC. A corporation organised outside the laws of the United States generally will be classified as a PFIC for U.S. federal income tax purposes for any taxable year if either (i) 75 per cent. or more of its gross income for such year consists of certain types of ''passive'' income or, (ii) 50 per cent. or more of the value of its assets (determined on the basis of a quarterly average) during such year produce or are held for the production of passive income. For

this purpose, (i) ''passive income'' generally includes, among other items of income, dividends, interest, royalties, rents and gains from commodities and securities transactions and from the sale or exchange of property that gives rise to passive income, and (ii) a non-U.S. corporation is treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which such non-U.S. corporation owns, directly or indirectly, more than 25 per cent. (by value) of such other corporation's stock. Based on the Company's projected income, assets and activities, the Company expects that it will be treated as a PFIC for the current taxable year and taxable years thereafter. The remainder of this summary assumes that the Company is and will continue to be a classified as a PFIC for U.S. federal income tax purposes. The Company may also hold, directly or indirectly, interests in other entities that are PFICs (**''Subsidiary PFICs''**).

Excess distribution regime. Assuming the Company is classified as a PFIC, unless the U.S. Holder has made a mark-to-market election or qualified electing fund (''**QEF**'') election with respect to the Shares (each, as described below), a U.S. Holder generally will be subject to special tax rules that have a penalising effect, regardless of whether the Company remains a PFIC, on (i) any ''excess distribution'' that the Company makes to the U.S. Holder, and (ii) any gain realised on the sale or other disposition (including a pledge) of the Shares. A distribution to a U.S. Holder will be treated as an ''excess distribution'' to the extent that all distributions to the U.S. holders on the Shares during a taxable year exceed 125 per cent. of the average annual distributions received during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period for the Shares). Under the PFIC rules, (a) the excess distribution or gain on disposition of the Shares will be allocated ratably to each day of the U.S. Holder's holding period for the Shares; (b) the amount of the excess distribution or gain allocated to the current taxable year will be taxable as ordinary income; (c) the amount allocated to each prior taxable year will be subject to tax at the highest applicable marginal tax rate in effect for each such prior taxable period (and such amount cannot be offset by any net operating losses of the U.S. Holder); and (d) an interest charge generally applicable to for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year. If a QEF election is not made for a Subsidiary PFIC, the rules described above with respect to excess distributions generally will apply to direct and indirect dispositions of the Company's interest in the Subsidiary PFIC (including a disposition by a U.S. Holder of Shares) and excess distributions by the Subsidiary PFIC.

For purposes of the net investment income tax described above, generally a U.S. Holder must include actual distributions and gains and losses from the corporation in net investment income.

Mark-to-market election. As an alternative to the foregoing rules, if the Shares are considered ''marketable stock'' a U.S. Holder may make a mark-to-market election in respect of its Shares. For purposes of the mark-to-market election, the Shares will be considered ''marketable stock'' if the Shares are ''regularly traded'' on a ''qualified exchange'' within the meaning of applicable Regulations. A class of shares generally is treated as ''regularly traded'' for any calendar year during which more than *de minimis* quantities of such class of stock is traded on at least 15 days during each calendar quarter. A non-U.S. securities exchange constitutes a ''qualified exchange'' if it is regulated or supervised by a governmental authority of the country in which the securities exchange is located and meets certain trading volume, listing, financial disclosure, surveillance and other requirements set forth in the applicable Regulations. It is not clear at this time whether the Shares will constitute marketable stock for this purpose. If the Shares are considered marketable stock, U.S. Holders that own such Shares would generally be eligible to make a mark-to-market election in respect of their Shares. However, there can be no assurance that trading volumes will be sufficient to permit a mark-to-market election.

If a ''mark-to-market'' election is available and a U.S. Holder validly makes such an election as of the beginning of the U.S. Holder's holding period, the U.S. Holder generally would not be subject to the adverse tax consequences described above under ''*Excess distribution regime''* Instead, the U.S. Holder generally would (i) recognise ordinary income for each taxable year equal to the excess, if any, of the fair market value of the Shares held at the end of such taxable year over the adjusted tax basis of such Shares at the end of the taxable year and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of such Shares as of the end of the taxable year over the fair market value of such Shares held at the end of such taxable year (but only to the extent of the net amount previously included in income as a result of the mark-to-market election). The U.S. Holder's adjusted tax basis in the Shares would be adjusted to reflect any income or loss resulting from the mark-to-market election. Furthermore, (a) any gain recognised on a sale or other

taxable disposition of the Shares would be treated as ordinary income and (b) any loss recognised on a sale or other taxable disposition of the Shares would be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election.

Each U.S. Holder should consult its own tax adviser with respect to the availability and tax consequences of a market-to-market election with respect to the Shares.

QEF election. As a further alternative to the foregoing rules, a U.S. Holder of Shares may make a QEF election with respect to the Company to elect out of the tax treatment described above under "*Excess distribution regime"* If a U.S. Holder makes a valid QEF election with respect to the Company for all taxable years that such U.S. Holder holds Shares, such U.S. Holder generally would be required for each taxable year to include such U.S. Holder's (i) *pro rata* share of the Company's undistributed ordinary earnings as ordinary income and (ii) *pro rata* share of the Company's undistributed net capital gain as long-term capital gain. A QEF election is available only if a PFIC provides a shareholder with certain information regarding its earnings and profits as required under applicable Regulations. The Company intends to make available to U.S. Holders the information necessary to permit U.S. Holders to make a QEF election. Each U.S. Holder should consult its own tax adviser with respect to the availability and tax consequences of a QEF election with respect to the Company.

QEF election and net investment income tax. For purposes of the net investment income tax described above, generally inclusions under the QEF rules are not net investment income, and a U.S. Holder who has made the QEF election must only include actual distributions and gains and losses from the corporation in net investment income. A U.S. Holder who has made the QEF election may have a different basis in the Shares for income tax purposes than it is for net investment income tax purposes. A U.S. Holder who made such QEF election allowed to adjust his or her deduction for investment interest to reflect differences between taxable income and net investment income and must adjust modified adjusted gross income to reflect these differences.

However, certain non-corporate U.S. Holders that owns Shares not as an asset of a trade or business and who has made the QEF election, may elect to include the Company's ordinary income and long-term capital gains for income tax purposes in net investment income. An electing U.S. Holder only includes dividends in net investment income to the extent the dividends are not excluded from gross income for income tax purposes as distributions of previously taxed amounts. For an electing U.S. Holder, gain or loss on a disposition of Shares is computed with the same adjusted basis as is used in computing the gain or loss for income tax purposes. The election is irrevocable and applies for the year for which made and all subsequent taxable years and will apply to all Shares of the Company including subsequently acquired Shares.

Reporting requirements. If a U.S. Holder holds Shares in any year in which the Company is classified as a PFIC, such U.S. Holder may be required to file IRS Form 8621. In addition, each U.S. Holder of a PFIC may be required to file an annual report containing such information as the U.S. Treasury Department may require. Prospective investors that are U.S. Holders should consult their tax advisers regarding the nature and potential applicability of such reporting requirements.

For the foregoing reasons, the acquisition of Shares may not be a suitable investment for U.S. Holders (other than U.S. Holders that are tax-exempt organisations). U.S. Holders should consult their tax advisers regarding the application of the PFIC rules to an investment in Shares.

Backup withholding and information reporting

Under certain circumstances, U.S. backup withholding tax and/or information reporting may apply to U.S. Holders with respect to payments made on, or proceeds from the sale or other disposition of, Shares, unless an applicable exemption is satisfied. U.S. Holders that are corporations generally are excluded from these information reporting and backup withholding tax rules. Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's U.S. federal income tax liability, and a U.S. Holder generally may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the IRS and furnishing any required information. U.S. Holders should consult their tax advisers regarding the application of the U.S. information reporting and backup withholding rules to their particular circumstances.

In addition, a U.S. Holder that purchases Shares may be required to report the purchase on IRS Form 926 if the amount of cash transferred to the Company by such U.S. Holder during the 12-month period ending on the date of the transfer exceeds US$100,000. Additional filings of such

form may be required in subsequent years. A U.S. Holder that fails to comply with these reporting obligations may be subject to substantial penalties.

U.S. Holders that are individuals who hold ''specified foreign financial assets'' (including stock of a non-U.S. corporation that is not held in an account maintained by a U.S. ''financial institution'') whose aggregate value exceeds US$50,000 during the taxable year may be required to attach to their tax returns for the taxable year certain specified information on Form 8938. An individual who fails to timely furnish the required information may be subject to a penalty. U.S. Holders who are individuals should consult their tax advisers regarding the application of their reporting obligations under these rules as a result of an investment in Shares.

Taxation of U.S. tax-exempt Shareholders

In general, U.S. tax-exempt organisations are exempt from U.S. federal income taxation. This general exemption from tax does not apply to the ''unrelated business taxable income'' (''**UBTI**'') of a U.S. tax-exempt organisation. UBTI includes ''unrelated debt-financed income'' which, for any taxable year, generally includes (i) income derived by a U.S. tax-exempt organisation from income-producing property with respect to which there is ''acquisition indebtedness'' at any time during the taxable year and (ii) gains derived by a U.S. tax-exempt organisation from the disposition of property with respect to which there is ''acquisition indebtedness'' at any time during the twelve-month period ending with the date of such disposition. Thus, an investment in Shares will not generate UBTI for a U.S. tax-exempt organisation (a ''**U.S. Tax-Exempt Shareholder**''), provided that such U.S. Tax-Exempt Shareholder does not incur ''acquisition indebtedness'', as defined for U.S. federal income tax purposes, with respect to its investment in Shares.

The Company will be a PFIC for U.S. federal income tax purposes. Regulations provide that U.S. tax-exempt organisations generally are not subject to the potentially adverse effects of the PFIC rules. A U.S. Tax-Exempt Shareholder may not make a QEF election with respect to the Company unless the U.S. Tax-Exempt Shareholder is taxable under the UBTI rules with respect to distributions received from the Company (which would occur only if the U.S. Tax-Exempt Shareholder itself borrowed to make its investment in Shares). The Company does not intend to provide the information that a U.S. Tax-Exempt Shareholder would need to make a QEF election.

U.S. Tax-Exempt Shareholders may have certain information reporting requirements in the United States as a consequence of an investment in the Company. Prospective investors that are U.S. Tax-Exempt Shareholders should consult their tax advisers regarding the nature and potential applicability of such reporting requirements.

Taxation of non-U.S. Shareholders

A Non-U.S. Shareholder generally will not be subject to U.S. federal income taxation on dividends received from the Company unless such dividend income is effectively connected to the Non-U.S. Shareholder's conduct of a trade or business in the United States. A Non-U.S. Shareholder generally will not be subject to U.S. federal income taxation on gains recognised on the sale, exchange, redemption or other disposition of Shares unless (i) such gain is effectively connected to the Non-U.S. Shareholder's conduct of a trade or business in the United States or, (ii) such Non-U.S. Shareholder is an individual present in the United States for 183 days or more in a taxable year and certain other conditions are satisfied.

Reportable transactions

A participant in a ''reportable transaction'' is required to disclose its participation in such transaction by filing IRS Form 8886 (Reportable Transaction Disclosure Statement). In addition, a ''material advisor'' with respect to such transaction is required to (i) maintain a list containing certain information with respect to such transaction (including the participants with respect to whom the material advisor acted in such capacity), and (ii) file an information return that identifies and describes the transaction and any potential tax benefits expected to result from the transaction. The failure to comply with such rules can result in substantial penalties.

The Company cannot predict whether any of its transactions will subject the Company or any of the Shareholders to the aforementioned requirements. However, if the Portfolio Manager (or any material advisor) determines that any such transaction causes either of them or the Company to be subject to the aforementioned requirements, the Portfolio Manager will, and will cause the Company to, fully comply with such requirements. Prospective investors should consult with their tax advisers regarding the applicability of these rules to their investment in the Company.

The foregoing discussion should not be considered to describe fully the U.S. federal, state, local and other tax consequences of an investment in the Company. Each prospective investor in the Company should consult its tax adviser regarding the U.S. federal, state, local and other tax consequences of an investment in the Company in light of their particular circumstances.

PART IX

ADDITIONAL INFORMATION

1. THE COMPANY

1.1 The Company was incorporated as a company limited by shares in Guernsey under the Companies Law on 2 March 2015 with registered number 59940 and is a Registered Closed-ended Collective Investment Scheme declared pursuant to The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules 2015 issued by the GFSC. The Company operates under the Companies Law and ordinances and regulations made thereunder and has no employees.

1.2 The registered office and principal place of business of the Company, the business address of the Directors and the address at which its register of members is kept is at Old Bank Chambers, La Grande Rue, St Martin's, Guernsey, Channel Islands, GY4 6RT and the telephone number of the Company's registered office is +44 (0)1481 231100.

1.3 The Directors confirm that the Company has not traded or commenced operations and that, as at the date of this prospectus, no financial statements of the Company have been drawn up since its incorporation on 2 March 2015. The Company's accounting period will end on 30 September of each year, with the first year end on 30 September 2015.

1.4 The Company is neither regulated nor authorised by the FCA. As at the date of this prospectus, the Company is regulated by the Commission as a Registered Collective Investment Scheme. Should First Admission be granted, the Shares will be admitted to trading on the Specialist Fund Market and to listing and trading on the official list of the CISEA.

1.5 Save for its entry into the material contracts summarised in paragraph 6 of this Part IX and certain non-material contracts, since its incorporation the Company has not carried on business, incurred any borrowings, issued any debt securities, incurred any contingent liabilities or made any guarantees, nor granted any charges or mortgages.

1.6 Deloitte LLP has been the only auditor of the Company since its incorporation. Deloitte LLP is a member of the Institute of Chartered Accountants in England and Wales. The annual report and financial statements of the Company will be prepared according to IFRS and in accordance with the requirements of the Companies Law.

2. SHARE CAPITAL

2.1 The Company may issue an unlimited number of Shares, including unclassified shares of no par value. The unclassified shares may be issued as, (a) Shares in such currencies as the Directors may determine; (b) C Shares in such currencies as the Directors may determine; and (c) such other classes of shares in such currencies as the Directors may determine in accordance with the Articles and the Companies Law. Shares will be redeemable at the option of the Company and not Shareholders.

2.2 As at the date of this prospectus, the entire issued share capital of the Company, comprising one Sterling Share, is held by Morgan Sharpe Nominees Limited on trust for Chenavari Financial Group Limited and will be transferred pursuant to the Initial Placing. Roll-over Shares and Issue Shares will be issued pursuant to the Liquidation Scheme and the Issue respectively.

2.3 By written resolution passed on 25 April 2015, it was resolved:

2.3.1 to adopt the Articles; and

2.3.2 that, conditionally upon First Admission, the Company be generally and unconditionally authorised in accordance with section 315 of the Companies Law to make market acquisitions (as defined in the Companies Law) of a maximum number of Shares equal to 14.99 per cent. of the number of Shares in issue immediately following First Admission, such authority to expire, unless previously revoked or varied, on the conclusion of the first annual general meeting of the Company or if earlier, eighteen months from the date of the passing of the resolution (except in relation to the purchase of Shares the contract for which was concluded before the expiry of said authority or which will or may be executed wholly or partly after such expiry)

PROVIDED THAT in no event shall the Directors be authorised to repurchase Shares if as a result of such repurchase any Shareholder (or group of Shareholders who are deemed to be acting in concert pursuant to the Takeover Code, including, but not limited to, the Concert Party) would be required to make a mandatory offer pursuant to Rule 9 of the Takeover Code and no Whitewash Resolution has been passed in relation to such repurchase. The maximum price payable, exclusive of any expenses, for each Share shall be an amount equal to the higher of: (i) 105 per cent. of the average of the middle market quotations for a Share (as published by the London Stock Exchange) for the five trading days immediately preceding the day on which the Share is contracted to be purchased; and (ii) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003. The minimum price payable shall be €0.01 per Euro Share and £0.01 per Sterling Share. Any Shares bought back may be held in treasury in accordance with the Companies Law or subsequently cancelled by the Company.

2.4 The Roll-over Shares and the Issue Shares will be issued and created in accordance with the Articles and the Companies Law pursuant to a resolution of the Board to be passed prior to First Admission. Any Shares or C Shares to be issued pursuant to the Placing Programme will be issued and created in accordance with the Articles and the Companies Law pursuant to a resolution of the Board to be passed prior to such Subsequent Admission.

2.5 The effect of the Issue and the Liquidation Scheme will be to increase the net assets of the Company. On the assumption that the Minimum Net Proceeds are raised, the net assets of the Company are expected to increase by €150 million. The Issue and the Liquidation Scheme are expected to be earnings enhancing.

2.6 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.

2.7 The Company does not have any subsidiaries and is not currently part of a group. The Company will either hold investments directly or may, where required or prudent for legal, tax or operational purposes, hold investments via one or more intermediate holding vehicles domiciled in an appropriate jurisdiction.

3. DIRECTORS' AND OTHER INTERESTS

3.1 As at the date of this prospectus, none of the Directors nor any of their associates has a shareholding or any other interest in the share capital of the Company.

3.2 Each of the Directors will be entitled to receive from the Company a fee. The initial fee for Mr. Hervouet as Chairman will be £50,000 per annum. The initial fee for Mr. Whittle as Chairman of the Audit Committee will be £40,000 per annum. The initial fee for Mr. Silvotti will be £30,000 per annum. The Directors are also entitled to out of pocket expenses and other expenses incurred in the proper performance of their duties. The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting period ending on 30 September 2015 which will be payable out of the assets of the Company are not expected to exceed £49,000.

3.3 No amount has been set aside or accrued by the Company to provide pension, retirement or other similar benefits.

3.4 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation.

3.5 No Director has a service contract with the Company, nor are any such contracts proposed. The Directors were appointed as non-executive directors by letters of appointment dated 28 April 2015. The Directors' appointments can be terminated in accordance with the Articles and without compensation. The Directors are subject to retirement by rotation in accordance with the Articles. There is no notice period specified in the letters of appointment for the removal of Directors. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for 12 months or more; (iii) written request of the other Directors; and (iv) a resolution of the Shareholders.

3.6 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.

3.7 In addition to their directorships of the Company, the Directors hold or have held the directorships and are or were members of the partnerships, as listed in the table below, over or within the past five years.

Name	Current directorships/ partnerships	Past directorships/partnerships
Frederic Hervouet	Lakestar (G.P.) Limited Lakestar II (G.P.) Limited BCGSS 2 Guernsey Ltd Tetragon Financial Group Limited Tetragon Financial Group Master Fund Limited	None
Roberto Silvotti	Chenavari Multi Strategy Credit Fund Limited Chenavari Investment Managers (Guernsey) Limited Toro S.a.r.l	None
John Whittle	International Public Partnerships Ltd Starwood European Real Estate Finance Ltd India Capital Growth Fund Ltd Mid Europa III Management Limited EMP Europe (CI) Limited (Mid Europa II) Mid Europa IV Management Limited The Offshore Mutual Fund PCC Ltd Perusa Partners Management Ltd CPL Guernsey Limited Steadfast Capital III (GP) Ltd Globalworth Real Estate Investments Ltd Advance Frontier Markets Fund Ltd B&Q (Retail) Guernsey Ltd B&Q (Retail) Jersey Ltd Magaptera Ltd The IPM Renewable Energy Fund ICC Ltd The Solar Park Fund (GBP) IC Ltd The Guernsey International Management Company Limited	Legion International Ltd GS Volatility Strategy IC Ltd GS High Frequency MSS UK Property Index Fund Management Ltd Aurora II GP Ltd Blue Skye GP Ltd Merchant Asset Management (Guernsey) Limited Avoca Senior Loans Europe Ltd FTSE UK Commercial Property Index Fund Limited Saunderton Data Centre GP Ltd The Sustainable Forestry ICC Ltd Sustainable Teak and Agarwood IC Ltd Sustainable Agro forestry IC Ltd Sustainable Red IC Ltd Sustainable Earth IC Ltd GC Dynamic Investments ICC Ltd Sciens Acqua Master Fund Merchant Financing Funds ICC Aurora Russia Ltd Sciens Global Strategic Fund Ltd Guernsey Yacht Club LBG Pont du Val Ltd

3.8 At the date of this prospectus:

3.8.1 none of the Directors has had any convictions in relation to fraudulent offences for at least the previous five years;

3.8.2 none of the Directors has been declared bankrupt or has been a director of a company or been a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years which has entered into any bankruptcy, receivership or liquidation proceedings;

3.8.3 none of the Directors has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the

management or conduct of the affairs of any issuer for at least the previous five years; and

3.8.4 none of the Directors are aware of any contract or arrangement subsisting in which they are materially interested and which is significant to the business of the Company which is not otherwise disclosed in this prospectus.

3.9 As at the date of this prospectus, the Company is not aware of any person who will, immediately following First Admission, hold five per cent. or more of the voting rights in the Company as a Shareholder or through a direct or indirect holding of financial instruments (in each case for the purposes of Chapter 5 of the Disclosure and Transparency Rules of the FCA).

3.10 All holders of Shares of the same Class have the same voting rights in respect of the share capital of the Company.

3.11 Pending the allotment of the Roll-over Shares and the Issue Shares and before commencement of its business, the Company is controlled by Chenavari Financial Group Limited (the single issued subscriber share being held on trust for them by Morgan Sharpe Nominees Limited), as described in paragraph 2.2 of this Part IX above. The Company and the Directors are not aware of any other person who directly or indirectly, jointly or severally, exercises or could exercise control of the Company.

3.12 The Company and the Directors are not aware of any arrangement, the operation of which may at a subsequent date result in a change of control of the Company.

3.13 Save as disclosed in the section entitled ''Conflicts of Interest'' in Part IV of this prospectus, as at the date of this prospectus, none of the Directors have any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.

3.14 The Company intends to maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

3.15 Save as set out in paragraph 3.9 of this Part IX, as at the date of this prospectus none of the AIFM, the Portfolio Manager nor any person connected with either the AIFM or the Portfolio Manager has a shareholding or any other interest in the share capital of the Company.

4. MEMORANDUM AND ARTICLES

4.1 The Memorandum provides that the Company's objects are unrestricted and it shall therefore have the full power and authority to carry out any object not prohibited by the Companies Law or any other applicable laws.

4.2 The Articles contain provisions, among others, to the following effect:

4.2.1 Share capital

(i) The Company may issue an unlimited number of shares in any currency including, without limitation, unclassified shares which may be designated and issued as Shares, C Shares or otherwise as the Directors may from time to time determine.

Shares

(ii) The rights attaching to the Shares shall be as follows:

(a) As to income – subject to the rights of any Shares which may be issued with special rights or privileges, the Shares of each class carry the right to receive all income of the Company attributable to the Shares, and to participate in any distribution of such income by the Company, *pro rata* to the relative NAVs of each of the classes of Shares and, within each such class, income shall be divided *pari passu* amongst the holders of Shares of that class in proportion to the number of Shares of such class held by them.

(b) As to capital – on a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of Shares in accordance with the provision of the Articles and the Companies Law),

the surplus assets of the Company attributable to the Shares remaining after payment of all creditors shall, subject to the rights of any Shares that may be issued with special rights or privileges, be divided amongst the holders of Shares of each class *pro rata* to the relative NAVs of each of the classes of Shares and, within each such class, such assets shall be divided *pari passu* amongst the holders of Shares of that class in proportion to the number of Shares of that class held by them;

(c) As to voting – Shareholders will have the right to receive notice of and to attend and vote at general meetings of the Company. On a show of hands, every shareholder present in person or by proxy shall have one vote and on a poll shall have one vote for each share held by him, subject to any special voting powers or restrictions.

C Shares

(iii) The rights attaching to the C Shares shall be as set out in paragraph 4.2.17.

General

(iv) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share (or option, warrant or other right in respect of a share) in the Company may be issued with such preferred, deferred or other special rights or restrictions, whether as to dividend, voting, return of capital or otherwise, as the Board may determine.

4.2.2 Issue of shares

The unissued shares shall be at the disposal of the Board which may allot, grant options, warrants or other rights over or otherwise dispose of them to such persons on such terms and conditions and at such times as the Board determines but so that no share shall be issued at a discount to par value (if applicable) except in accordance with the Companies Law and so that the amount payable on application on each share shall be fixed by the Board.

4.2.3 Variation of class rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class.

4.2.4 Winding up

(i) The Company shall have an indefinite life.

(ii) If the Company is wound up whether voluntarily or otherwise the liquidator may with the sanction of a special resolution divide among the shareholders in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the shareholders as the liquidator with the like sanction shall think fit.

(iii) In case any of the securities or other assets to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said assets may within 14 clear days after the passing of the special resolution by notice in writing direct the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall if practicable act accordingly.

4.2.5 Dividends

(i) Subject to compliance with section 304 of the Companies Law, the Board may at any time declare and pay such dividends as appear to be justified by the position of the Company. The Board may also declare and pay any fixed dividend which is payable on any shares of the Company quarter-yearly or otherwise on fixed dates whenever the position in the opinion of the Board so justifies.

(ii) The method of payment of dividends shall be at the discretion of the Board.

(iii) No dividend shall be paid in excess of the amounts permitted by the Companies Law or approved by the Board.

(iv) The Board may deduct from any dividend payable to any shareholder on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

(v) The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.

(vi) The Board may retain dividends payable upon shares in respect of which any person is entitled to become a shareholder until such person has become a shareholder.

(vii) With the sanction of the Company in general meeting, any dividend may be paid wholly or in part by the distribution of specific assets and, in particular, of paid-up shares of the Company. Where any difficulty arises in regard to such distribution the Board may settle the same as it thinks expedient and in particular may issue fractional shares and fix the value for distribution of such specific assets and may determine that cash payments shall be made to any shareholders upon the footing of the value so fixed in order to adjust the rights of shareholders and may vest any such specific assets in trustees for the shareholders entitled as may seem expedient to the Board.

(viii) Any dividend interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Company's register. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means (including, in relation to any dividend or other sum payable in respect of shares held in uncertificated form, by means of a Relevant System (a Computerised Settlement System as defined in the Regulations) in any manner permitted by the rules of the Relevant System concerned) and to or through such person as the holder or joint holders (as the case may be) may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividends interest bonuses or other monies payable in respect of their joint holdings.

(ix) No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.

(x) All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of six years after having been declared shall be forfeited and shall revert to the Company.

4.2.6 Transfer of shares

(i) The Articles provide that the Directors may implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the CREST system. Where they do so, paragraphs 4.2.6(ii) and (iii) shall commence to have effect immediately prior to the time at which Euroclear admits the class to settlement by means of the CREST system.

(ii) In relation to any class of shares which, for the time being Euroclear has admitted to settlement by means of the CREST system, and for so long as such class remains so admitted, no provision of the Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

(a) the holding of shares of that class in uncertificated form;

(b) the transfer of title to shares of that class by means of the CREST system; or

(c) the Regulations.

(iii) Without prejudice to the generality of paragraph 4.2.6(ii) and notwithstanding anything contained in the Articles, where any class of shares is, for the time being, admitted to settlement by means of the CREST system:

(a) such securities may be issued in uncertificated form in accordance with and subject as provided in the Regulations;

(b) unless the Directors otherwise determine, such securities held by the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holding but shares of a class held by a person in uncertificated form shall not be treated as a separate class from shares of that class held by that person in certificated form;

(c) such securities may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the Regulations;

(d) title to such of the shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST system and as provided in the Regulations, and accordingly (and in particular) no provision of the Articles shall apply in respect of such shares to the extent that those Articles require or contemplate the effecting of a transfer by an instrument in writing and the production of a certificate for the security to be transferred;

(e) the Company shall comply in all respects with the Regulations including, without limitation, CREST Rule 7;

(f) no provision of the Articles shall apply so as to require the Company to issue a certificate to any person holding such shares in uncertificated form;

(g) the permitted number of joint holders of a share shall be four; and

(h) every transfer of shares from a CREST account of a CREST member to a CREST account of another CREST member shall vest in the transferee a beneficial interest in the shares transferred, notwithstanding any agreements or arrangements to the contrary, however and whenever arising and however expressed. Accordingly, each CREST member who is for the time being registered as the holder of any shares in the capital of the Company shall hold such shares upon trust for himself and for those persons (if any) whose CREST accounts are duly credited with any such shares or in favour of whom shares are to be withdrawn from CREST pursuant to a settled stock withdrawal instruction; and the member and all such persons, to the extent respectively of the shares duly credited to their respective CREST accounts or the subject of a settled stock withdrawal instruction, shall accordingly have beneficial interests therein.

(iv) Subject to such of the restrictions of the Articles as may be applicable:

(a) any shareholder may transfer all or any of his uncertificated shares by means of a Computerised Settlement System as defined in the Regulations authorised by the Board in such manner provided for, and subject as provided, in the Regulations or such as may otherwise from time to time be adopted by the Board on behalf of the Company and the rules of any relevant system and accordingly no provision of the Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred;

(b) any shareholder may transfer all or any of their certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve; and

(c) an instrument of transfer of a certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer of a certificated share need not be under seal.

(v) The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any share in certificated form or uncertificated form which is not fully paid up or on which the Company has a lien, provided, in the case of a listed or publicly traded share that this would not prevent dealings in the share from taking place on an open and proper basis. In addition, the Directors may also refuse to register a transfer of shares unless such transfer is in respect of only one class of shares, is in favour of a single transferee or no more than four joint transferees, and is delivered for registration to the Company's registered office or such other place as the Board may decide, and is accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so. In addition, in relation to a certificated transfer of Shares the Directors may make such transfers subject to such purchaser certification requirements as the Directors in their absolute discretion deem appropriate or necessary to ensure compliance by the Company with any United States acts and regulations as may be applicable to the Company or its shareholders from time to time. Where the purchaser of a certificated share is unable, or fails to, comply with any such purchaser certification requirements the Directors may, in their absolute discretion, decline to register the transfer of such certificated share. The Directors may place such legends on any share certificates as in their absolute discretion they deem appropriate or necessary from time to time to ensure compliance by the Company with any United States acts and regulations as may be applicable to the Company or its members from time to time.

(vi) Subject to the provisions of the CREST Guernsey Requirements, the registration of transfers may be suspended at such times and for such periods as the Board may decide and either generally or in respect of any class of share provided that such suspension shall not be for more than 30 days in any year. Any such suspension shall be communicated to shareholders, giving reasonable notice of such suspension by means of a recognised regulatory news service.

(vii) If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as ''plan assets'' of any benefit plan investor under Section 3(42) of ERISA or the U.S. Code; (ii) would or might result in the Company and/or its shares being required to register or qualify under the U.S. Investment Company Act and/or the U.S. Securities Act and/or the U.S. Exchange Act and/or any laws of any State of the U.S. that regulate the offering and sale of securities; (iii) may cause the Company not to be considered a ''Foreign Private Issuer'' under the U.S. Exchange Act; or (iv) may cause the Company to be a ''controlled foreign corporation'' for the purpose of the U.S. Code, then any shares which the Directors decide are shares which are so held or beneficially owned; or may cause the Company to become subject to any withholding tax or reporting obligation (including by reason of the failure of the Shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligation) (''**Prohibited Shares**'') may be dealt with in accordance with paragraph 4.2.6(viii) below. The Directors may at any time give notice in writing to the holder of a share

requiring him to make a declaration as to whether or not the share is a Prohibited Share.

(viii) The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend, speak and vote at a general meeting of the Company and of any class of shareholders and those rights will vest in the Chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion. If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company's costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate (if applicable).

(ix) Upon transfer of a share, the transferee of such share shall be deemed to have represented and warranted to the Company that he is: (i) not a Benefit Plan Investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as ''plan assets'' of any Benefit Plan Investor; (ii) either (a) not a U.S. Person, located in the United States or acquiring the shares for the amount or benefit of a U.S. Person, and acquiring shares in an offshore transaction meeting the requirements of Regulation S; or (b) a person to whom such share may otherwise be lawfully transferred pursuant to an exemption from the registration requirements of the U.S. Securities Act; and (iii) a Qualified Purchaser for the purposes of the U.S. Investment Company Act.

4.2.7 ERISA ownership limitations

(i) General

Notwithstanding the provisions of paragraph 4.2.6 above, at no time shall 25 per cent. or more of the value of any class of shares of the Company be held by Benefit Plan Investors (the ''**ERISA Ownership Limitation**''). If as a result of any acquisition of shares of the Company by any Benefit Plan Investors the ERISA Ownership Limitation would be breached, (i) the shares acquired by such Benefit Plan Investors which would cause the ERISA Ownership Limitation to be breached shall be deemed to be ''**Shares-in-Trust**'' to prevent the assets of the Company from being treated as ''plan assets'' of a Benefit Plan Investor; (ii) such shares shall be transferred automatically to the Trust (as described below); and (iii) the Benefit Plan Investors purportedly owning such Shares-in-Trust shall take such action as is required to transfer legal title to such shares to the Trust. Such transfer to the Trust and the designation of shares as Shares-in-Trust shall be deemed to be effective immediately following the time of registration of the transfer that results in the transfer to the Trust that would otherwise have caused the assets of the Company to be treated as ''plan assets'' of a Benefit Plan Investor.

(ii) Transfers to Persons that are not Benefit Plan Investors

During the period prior to the discovery that shares of the Company have been transferred to the trustee for the time being of the Trust (the ''**Trustee**''), any transfer of shares by a Benefit Plan Investor to a person that is not a Benefit Plan Investor shall reduce the number of Shares-in-Trust on a one-for-one basis, and to that extent such shares shall cease to be designated as Shares-in-Trust. After the discovery that shares have been transferred to the Trustee, but prior to the transfer of all discovered Shares-in-Trust and/or the submission

of all discovered Shares-in-Trust for registration in the name of the Trust, any transfer of shares by a Benefit Plan Investor to a person that is not a Benefit Plan Investor shall reduce the number of Shares-in-Trust on a one-for-one basis, and to that extent such shares shall cease to be designated as Shares-in-Trust.

(iii) Transfer of Shares-in-Trust

(a) Ownership in Trust – Upon any transfer or other event that would result in a transfer of shares of the Company to the Trust, such shares shall be deemed to have been transferred to the Trustee as trustee of the Trust for the exclusive benefit of one or more beneficiaries of the Trust as determined in accordance with the Articles and the terms of the Trust (the "**Charitable Beneficiary**"). Such transfer to the Trustee shall be deemed to be effective immediately following registration of the transfer that results in the transfer to the Trust. The Trustee shall be a person unaffiliated with the Company. Each Charitable Beneficiary shall be designated by the Company as provided below.

(b) Status of shares of the Company held by the Trustee – shares held by the Trustee shall be issued and outstanding shares of the Company. The prohibited owner shall have no rights in the shares held by the Trustee but shall be entitled to receive from the Trustee payment of the Liquidated Consideration (as defined in paragraph (d) below), which shall be owed as a debt to the prohibited owner. The prohibited owner shall not benefit economically from ownership of any shares held in trust by the Trustee, shall have no rights to any distributions and shall not possess any rights to vote or other rights attributable to the shares held in the Trust.

(c) Distributions and voting rights – The Trustee shall have all voting rights and rights to distributions with respect to shares held in the Trust, which rights shall be exercised for the exclusive benefit of the Charitable Beneficiary. Any distribution paid prior to the discovery by the Directors that the shares have been transferred to the Trustee shall be paid by the recipient of such distribution to the Trustee upon demand and any distribution authorised but unpaid shall be paid when due to the Trustee. Any distribution so paid to the Trustee shall be held in trust for the Charitable Beneficiary. The prohibited owner shall have no consent rights with respect to shares held in the Trust and, effective as of the date that the shares have been transferred to the Trustee, the Trustee shall have the authority (at the Trustee's sole discretion) (i) to rescind as void any vote cast by a prohibited owner prior to the discovery by the Directors that the shares have been transferred to the Trustee and (ii) to recast such vote in accordance with the desires of the Trustee acting for the benefit of the Charitable Beneficiary, provided that if the Company has already taken irreversible action, then the Trustee shall not have the authority to rescind and recast such vote. Notwithstanding the foregoing, until the Directors have received notification that shares have been transferred into the Trust, the Directors shall be entitled to rely on the Register and other Company records for purposes of preparing lists of Members entitled to vote at general meetings and determining the validity and authority of proxies.

(d) Sale of shares of the Company by Trustee – Within 20 days of receiving notice from the Directors that shares have been transferred to the Trust, the Trustee of the Trust shall sell the shares held in the Trust to a person, designated by the Trustee, whose ownership of the shares will not violate the ERISA ownership limitations set forth in this paragraph 4.2.7. In the event that the Trustee cannot, for whatsoever reason, sell the shares within such time period the Trustee shall use reasonable endeavours to sell such shares as soon as reasonably practicable. Upon such sale, the interest of the Charitable Beneficiary in the shares sold

shall terminate and the Trustee shall distribute the net proceeds of the sale to the prohibited owner and to the Charitable Beneficiary as provided herein. The prohibited owner shall receive the "**Liquidated Consideration**", being the lesser of (1) the price paid by the prohibited owner for the shares or, if the prohibited owner did not give value for the shares in connection with the event causing the shares to be held in the Trust (e.g., in the case of a gift, devise or other such transaction), the market price of the shares on the day of the event causing the Shares to be held in the Trust; and (2) the price per Share received by the Trustee from the sale or other disposition of the Shares-in-Trust. Any net sales proceeds in excess of the Liquidated Consideration shall be immediately paid to the Charitable Beneficiaries. If, prior to the discovery by the Directors that shares have been transferred to the Trustee, such Shares are sold by a prohibited owner, then (i) such shares shall be deemed to have been sold on behalf of the Trust and (ii) to the extent that the prohibited owner received an amount for such shares that exceeds the Liquidated Consideration, such excess shall be paid to the Trustee upon demand.

(e) Purchase right in shares of the Company transferred to Trustee – shares transferred to the Trustee shall be deemed to have been offered for sale to the Company, or its designee, at a price per share equal to the lesser of (1) the price per share in the transaction that resulted in such transfer to the Trust (or, in the case of a devise or gift, the market price at the time of such devise or gift); and (2) the market price on the date the Company or its designee, accepts such offer. The Company shall have the right to accept such offer until the Trustee has sold the shares held in the Trust. Upon such a sale to the Company, the interests of the Charitable Beneficiaries in the shares shall terminate and the Trustee shall distribute the net proceeds of the sale to the prohibited owner.

(f) Designation of Charitable Beneficiaries – By written notice to the Trustee, the Directors shall designate one or more non-profit organisations to be the Charitable Beneficiaries of the interest in the Trust such that (1) the shares of the Company held in the Trust would not violate the restrictions set forth above in the hands of such Charitable Beneficiaries and (2) each such organisation must be described in Section 501(c)(3) of the Code and contributions to each such organisation must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the U.S. Code.

(g) Termination – The provisions of this paragraph 4.2.7 shall cease to apply and all Shares-in-Trust shall cease to be designated as Shares-in-Trust and shall be returned, automatically, to the owners from whom they were transferred to the Trust, all of which shall occur at such time as those shares qualify as a class of "publicly-offered securities" within the meaning of the Plan Assets Regulations.

4.2.8 Alteration of capital and purchase of shares

(i) The Company may by ordinary resolution: consolidate and divide all or any of its share capital into shares of larger or smaller amounts than its existing shares; subdivide all or any of its shares into shares of a smaller amount subject to paragraph 4.2.8(ii); cancel shares which, at the date of the passing of the resolution, have not been taken up or agreed to be taken up by any person, and diminish the amount of its share capital by the amount of shares so cancelled; convert all or any of its shares the nominal amount of which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than 3 significant figures) current on the date of the resolution or on such other day as may be specified therein; or where its share capital is expressed in a particular currency or former currency,

denominate or redenominate it, whether by expressing its amount in units or subdivisions of that currency or former currency, or otherwise.

(ii) In any subdivision under paragraph 4.2.8(i) above, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as that proportion in the case of the share from which the reduced share was derived.

(iii) The Company may reduce its share capital, any capital account or any share premium account in any manner and with and subject to any authorisation or consent required by the Companies Law.

(iv) The Board on any consolidation of shares may deal in fractions of shares in any manner.

4.2.9 Notices

(i) A notice or other communication may be given by the Company to any shareholder either personally or by sending it by prepaid post addressed to such shareholder at his registered address (or, subject to paragraph 4.2.9(vii) in electronic form) or if he desires that notices shall be sent to some other address or person to the address or person nominated for such purpose.

(ii) Any notice or other document, if served by post (including registered post, recorded delivery service or ordinary letter post), shall be deemed to have been served on the third day after the day on which the same was posted from Guernsey to an address in the United Kingdom, the Channel Islands or the Isle of Man and, in any other case, on the seventh day following that on which the same was posted.

(iii) Service of a document sent by post shall be proved by showing the date of posting, the address thereon and the fact of pre-payment.

(iv) Any notice or other document, if transmitted by electronic communication, facsimile transmission or other similar means which produce or enable the production of a document containing the text of the communication, shall, be regarded as served when it is received.

(v) A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Company's register in respect of the share.

(vi) Any notice or other communication sent to the address of any shareholder shall, notwithstanding the death, disability or insolvency of such shareholder and whether the Company has notice thereof, be deemed to have been duly served in respect of any share registered in the name of such shareholder as sole or joint holder and such service shall, for all purposes, be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in any such share.

(vii) All shareholders shall be deemed to have agreed to accept communication from the Company by electronic means in accordance with sections 524 and 526 and schedule 3 of the Companies Law unless a shareholder notifies the Company otherwise. Such notification must be in writing and signed by the shareholder and delivered to the Company's registered office or such other place as the Board directs.

4.2.10 Notice of general meetings

(i) A general meeting (including an annual general meeting) of the Company (other than an adjourned meeting) must be called by notice of at least 14 clear days.

(ii) A general meeting may be called by shorter notice than otherwise required if all the shareholders entitled to attend, speak and vote so agree.

(iii) Notices and other documents may be sent in electronic form or published on a website in accordance with section 208 of the Companies Law.

(iv) Notice of a general meeting of the Company must be sent to every shareholder entitled to attend, speak and vote thereat, every Director and every alternate Director registered as such.

(v) In paragraph 4.2.10(iv) above, the reference to shareholders includes only persons registered as a shareholder.

(vi) Notice of a general meeting of the Company must state the time and date of the meeting, set the place of the meeting, specify any special business to be put to the meeting, contain the information required under section 178(6)(a) of the Companies Law in respect of a resolution which is to be proposed as a special resolution at the meeting, contain the information required under section 179(6)(a) of the Companies Law in respect of a resolution which is to be proposed as a waiver resolution at the meeting, and contain the information required under section 180(3)(a) of the Companies Law in respect of a resolution which is to be proposed as a unanimous resolution at the meeting.

(vii) Notice of a general meeting must state the general nature of the business to be dealt with at the meeting.

(viii) The accidental omission to give notice of any meeting to or the non-receipt of such notice by any shareholder shall not invalidate any resolution or any proposed resolution otherwise duly approved.

(ix) General meetings may be held in Guernsey or elsewhere at the discretion of the Directors.

4.2.11 Conflicts of interest

(i) A Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Board in accordance with section 162 of the Companies Law:

(a) if the monetary value of the Director's interest is quantifiable, the nature and monetary value of that interest; or

(b) if the monetary value of the Director's interest is not quantifiable, the nature and extent of that interest.

(ii) The obligation referred to in paragraph 4.2.11(i) does not apply if:

(a) the transaction or proposed transaction is between the Director and the Company; and

(b) the transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.

(iii) A general disclosure to the Board to the effect that a Director has an interest (as director, officer, employee, member or otherwise) in a party and is to be regarded as interested in any transaction which may after the date of the disclosure be entered into with that party is sufficient disclosure of interest in relation to that transaction.

(iv) Nothing in paragraphs 4.2.11(i), (ii) or (iii) applies in relation to:

(a) remuneration or other benefit given to a Director;

(b) insurance purchased or maintained for a Director in accordance with section 158 of the Companies Law; or

(c) qualifying third party indemnity provision provided for a Director in accordance with section 159 of the Companies Law.

(v) Subject to paragraph 4.2.11(vi), a Director is interested in a transaction to which the Company is a party if the Director:

(a) is a party to, or may derive a material benefit from, the transaction;

(b) has a material financial interest in another party to the transaction;

(c) is a director, officer, employee or member of another party (other than a party which is an associated company) who may derive a material financial benefit from the transaction;

(d) is the parent, child or spouse of another party who may derive a material financial benefit from the transaction; or

(e) is otherwise directly or indirectly materially interested in the transaction.

(vi) A Director is not interested in a transaction to which the Company is a party if the transaction comprises only the giving by the Company of security to a third party which has no connection with the Director, at the request of the third party, in respect of a debt or obligation of the Company for which the Director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity or security.

(vii) Save as provided in the Articles, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise through the Company. A Director may be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

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

(a) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

(b) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof; or

(d) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in one per cent. or more of the issued shares of such company (or of any third company through which his interest is derived) or of the voting rights available to shareholders of the relevant company (any such interest being deemed for these purposes to be a material interest in all circumstances).

(ix) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company or any company in which the Company is interested the Directors may be counted in the quorum for the consideration of such proposals and such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under the provisions referred to in paragraph 4.2.112(vii) above) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

(x) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.

(xi) The Company may by ordinary resolution suspend or relax the provisions referred to in paragraphs 4.2.11(vii) and (viii) to any extent or ratify any

transaction not duly authorised by reason of a contravention of any of paragraphs 4.2.11(vii) and (viii).

(xii) Subject to the provisions referred to in paragraph 4.2.11(vii) the Directors may exercise the voting power conferred by the share in any other company held or owned by the Company or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them director, managing director, managers or other officer of such company or voting or providing for the payment or remuneration to the directors, managing director, manager or other officer of such company).

(xiii) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.

(xiv) Subject to due disclosure in accordance with the provisions referred to in this paragraph 4.2.11, no Director or intending Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested render the Director liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

(xv) Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

(xvi) Any Director may continue to be or become a director, managing director, manager or other officer or member of any company in which the Company may be interested and (unless otherwise agreed) no such Director shall be accountable for any remuneration or other benefits received by him as a Director, managing director, manager or other officer or member of any such other company.

4.2.12 Remuneration and appointment of Directors

(i) The Articles provide that the ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other subparagraph of the Articles) shall not exceed in aggregate £300,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Such remuneration shall be deemed to accrue from day to day. The Directors shall also be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company. 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.

(ii) A Director shall cease to hold office: (i) if he (not being a person holding for a fixed term an executive office subject to termination if he ceases for any reason to be a Director) resigns his office by written notice signed by him sent to or deposited at the registered office of the Company; (ii) if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of twelve months and the Board resolves that their office shall be vacated; (iii) if he dies or becomes of unsound mind or incapable; (iv) if he becomes insolvent, suspends payment or compounds with his creditors; (v) if he is requested to resign by written notice signed by all the other Directors; (vi) if the Company in general meeting shall declare that he shall

cease to be a Director; or (vii) if he becomes ineligible to be a Director in accordance with section 137 of the Companies Law.

4.2.13 Indemnity

(i) The Directors, secretary and officers (excluding, for the avoidance of doubt, the auditors) for the time being of the Company and their respective heirs and executors shall, to the extent permitted by section 157 of the Companies Law, be fully indemnified out of the assets and profits of the Company from and against all actions expenses and liabilities which they or their respective heirs or executors may incur by reason of any contract entered into or any act in or about the execution of their respective offices or trusts except such (if any) as they shall incur by or through their own negligence, default, breach of duty or breach of trust respectively and none of them shall be answerable for the acts receipts neglects or defaults of the others of them or for joining in any receipt for the sake of conformity or for any bankers or other person with whom any moneys or assets of the Company may be lodged or deposited for safe custody or for any bankers or other persons into whose hands any money or assets of the Company may come or for any defects of title of the Company to any property purchased or for insufficiency or deficiency of or defect in title of the Company to any security upon which any moneys of the Company shall be placed out or invested or for any loss misfortune or damage resulting from any such cause as aforesaid or which may happen in or about the execution of their respective offices or trusts except the same shall happen by or through their own negligence, default, breach of duty or breach of trust.

4.2.14 Proceedings of the Board

(i) The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman at the meeting shall have a second or casting vote. A Director in communication with one or more other Directors so that each Director participating in the communication can hear or read what is said or communicated by each of the others, is deemed to be present at a meeting with the other Directors so participating and, where a quorum is present, such meeting shall be treated as a validly held meeting of the Board and shall be deemed to have been held in the place where the Chairman is present. The Board may elect a chairman of their meetings and determine the period for which he is to hold office. If no such chairman be elected, or if at any meeting the chairman be not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting. The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed, shall be two except that where the minimum number of Directors has been fixed at one a sole Director shall be deemed to form a quorum. For the purposes of this paragraph 4.2.15, an alternate appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present. The Board may delegate any of its powers to committees consisting of one or more directors as they think fit.

4.2.15 Borrowing powers

(i) The Board may exercise all the powers of the Company to borrow money and to mortgage, hypothecate, pledge or charge all or part of its undertaking property and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any liability or obligation of the Company or of any third party. The Board may exercise all the powers of the Company to engage in currency or interest rate hedging in the interests of efficient portfolio management.

4.2.16 Audit

(i) Subject to Section 256 of the Companies Law, the shareholders may resolve to exempt the Company from the requirement to appoint auditors. Whilst the

Company continues as an unaudited company the provisions of the Companies Law in so far as they relate to the appointment of auditors, the duties of auditors and the report of auditors shall be suspended and cease to have effect.

(ii) Subject to paragraph 4.2.16(i) above, auditors shall be engaged in accordance with Part XVI of the Companies Law.

4.2.17 C Shares

(i) The following definitions apply for the purposes of this paragraph 4.2.17:

''Calculation Date'' means the earliest of the:

(a) close of business on the date to be determined by the Directors occurring not more than 10 Business Days after the day on which the Portfolio Manager shall have given notice to the Directors that at least 80 per cent. of the Net Proceeds attributable to the relevant class of C Shares (or such other percentage as the Directors and Portfolio Manager shall agree) shall have been invested; or

(b) close of business on the date falling twelve calendar months after the allotment of the relevant class of C Shares or if such a date is not a Business Day the next following Business Day; or

(c) close of business on the last Business Day prior to the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent; or

(d) close of business on such date as the Directors may determine;

''Conversion'' means, in relation to any class of C Shares, conversion of that class of C Shares in accordance with paragraph 4.2.17(xi) below;

''Conversion Date'' means a date which falls after the Calculation Date and is the date on which the admission of the new Shares arising on Conversion to trading on the London Stock Exchange and the CISEA becomes effective and which is the earlier of:

(a) the opening of business on such Business Day as may be selected by the Directors provided that such day shall not be more than twenty Business Days after the Calculation Date; and

(b) such earlier date as the Directors may resolve should Force Majeure Circumstances have arisen or the Directors resolve that such circumstances have arisen or are imminent;

''Conversion Ratio'' is the ratio of the NAV per C Share of the relevant class of C Share to the NAV per Share of the corresponding class (and currency), which is calculated to 6 decimal places as at the Calculation Date as:

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

where:

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

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

where:

a) ''**C**'' is the value of the investments of the Company attributable to the C Shares of the relevant class calculated in accordance with IFRS, as in effect from time to time. Investments will initially be recognised at their acquisition cost and thereafter be re-measured at fair value as follows: any investments which are marketable securities (including shares or

units of closed-ended investment funds) quoted, traded or dealt in on an investment exchange will be valued at the latest available price or, if appropriate on the average price on the stock exchange which is normally the principal market of such securities, and each security traded on any other regulated market shall be valued in a manner as similar as possible to that provided for quoted securities;

b) for non-quoted securities or securities not traded or dealt on an investment exchange or other regulated market, as well as quoted or non-quoted securities on such other market for which no valuation price is available, or securities for which the quoted prices are, in the opinion of the Board, not representative of the fair market value, the value thereof shall be determined prudently and in good faith;

c) liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis;

d) futures and options are valued by reference to the previous day's closing price on the relevant market; the market prices used are the futures exchanges settlement prices;

e) swaps are valued at fair value based on the latest available closing price of the underlying security;

f) cash, cash equivalents and other liquid assets will be valued at their face value with interest accrued, where applicable, as at the close of business on the relevant calculation date unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Board may consider appropriate to reflect the true value thereof;

g) investments in open-ended investment funds will be taken at their latest official net asset values or at their latest unofficial net asset values (i.e. which are not generally used for the purposes of subscription and redemption of shares of the underlying investment funds) as provided by the relevant administrators or investment managers if more recent than their official net asset values and for which the Company or its agent has sufficient assurance that the valuation method used by the relevant administrator for the said unofficial net asset value is coherent as compared to the official one. In the event of a material change in the net asset value of the shares or units in the investment fund since the day on which the latest official net asset value was calculated, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Board, such change of value;

h) all other securities and assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Board;

i) any value expressed otherwise than in the base currency of the Company (whether of an investment or cash) and any borrowing in a currency other than the base currency of the Company shall be converted into the base currency of the Company at the relevant quoted mid rate at 4.00 p.m. (Guernsey time) on the calculation date; and

in the event of it being impossible or incorrect to carry out a valuation of a specific asset in accordance with the valuation rules set out in the paragraphs above, or if such valuation is not representative in the opinion of the Board of the asset's fair market value, the Portfolio Manager, subject to the approval of the Board, is entitled to use other generally recognised valuation principles in order to reach a proper valuation of that specific asset, provided that any alternative method of valuation is consistent with the accounting policies used to draw up the annual audited financial statements of the Company;

"**D**" is the amount (to the extent not otherwise deducted from the assets attributable to the C Shares of the relevant class on the Calculation Date)

which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the C Shares of the relevant class on the Calculation Date;

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

"**F**" is the value of the investments of the Company attributable to the Ordinary Shares of the relevant class and currency calculated in accordance with IFRS, as in effect from time to time. Investments will initially be recognised at their acquisition cost and thereafter be re-measured at fair value as follows:

a) any investments which are marketable securities (including shares or units of closed-ended investment funds) quoted, traded or dealt in on an investment exchange will be valued at the latest available price or, if appropriate on the average price on the stock exchange which is normally the principal market of such securities, and each security traded on any other regulated market shall be valued in a manner as similar as possible to that provided for quoted securities;

b) for non-quoted securities or securities not traded or dealt on an investment exchange or other regulated market, as well as quoted or non-quoted securities on such other market for which no valuation price is available, or securities for which the quoted prices are, in the opinion of the Board, not representative of the fair market value, the value thereof shall be determined prudently and in good faith;

c) liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis;

d) futures and options are valued by reference to the previous day's closing price on the relevant market; the market prices used are the futures exchanges settlement prices;

e) swaps are valued at fair value based on the latest available closing price of the underlying security;

f) cash, cash equivalents and other liquid assets will be valued at their face value with interest accrued, where applicable, as at the close of business on the relevant calculation date unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Board may consider appropriate to reflect the true value thereof;

g) investments in open-ended investment funds will be taken at their latest official net asset values or at their latest unofficial net asset values (i.e. which are not generally used for the purposes of subscription and redemption of shares of the underlying investment funds) as provided by the relevant administrators or investment managers if more recent than their official net asset values and for which the Company or its agent has sufficient assurance that the valuation method used by the relevant administrator for the said unofficial net asset value is coherent as compared to the official one. In the event of a material change in the net asset value of the shares or units in the investment fund since the day on which the latest official net asset value was calculated, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Board, such change of value;

h) all other securities and assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Board;

i) any value expressed otherwise than in the base currency of the Company (whether of an investment or cash) and any borrowing in a currency other than the base currency of the Company shall be converted into the base currency of the Company at the relevant quoted mid rate at 4.00 p.m. (Guernsey time) on the calculation date; and

in the event of it being impossible or incorrect to carry out a valuation of a specific asset in accordance with the valuation rules set out in the paragraphs above, or if such valuation is not representative in the opinion of the Board of the asset's fair market value, the Portfolio Manager, subject to the approval of the Board, is entitled to use other generally recognised valuation principles in order to reach a proper valuation of that specific asset, provided that any alternative method of valuation is consistent with the accounting policies used to draw up the annual audited financial statements of the Company

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

''**H**'' is the number of Ordinary Shares of the relevant class and currency in issue on the Calculation Date (excluding any Ordinary Shares of the relevant class held in treasury),

provided that the Directors shall make such adjustments to the value or amount of A and B as they shall in their discretion consider appropriate having regard among other things, to the assets of the Company immediately prior to the date on which the Company first receives the Net Proceeds relating to the C Shares of the relevant class and/or to the reasons for the issue of the C Shares of the relevant class.

''**Existing Shares**'' means the Shares in issue immediately prior to Conversion;

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

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

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

References to ''shareholders'' and ''C shareholders'' in this paragraph 4.2.17 should be construed as references to holders for the time being of Shares of the relevant class and C Shares of the relevant class respectively.

(ii) For the purposes of paragraph (a) of the definition of Calculation Date and the definition of Force Majeure Circumstance in relation to any class of C Shares, the assets attributable to the C Shares of that class shall be treated as having been ''invested'' if they have been expended by or on behalf of the Company in the acquisition or making of an investment (whether by subscription or purchase) or if an obligation to make such payment has arisen or crystallised (in each case unconditionally or subject only to the satisfaction of normal pre-issue conditions) in relation to which the consideration amount has been determined or is capable of being determined by operation of an agreed contractual mechanism.

(iii) The holders of the C Shares shall, subject to the provisions of the Articles, have the following rights as to income:

(a) subject to the rights of any C Shares which may be issued with special rights or privileges, the C Shares of each class carry the right to receive all income of the Company attributable to the C Shares, and to participate in any distribution of such income by the Company, *pro rata*

to the relevant NAVs of each of the classes of C Shares and within each such class income shall be divided *pari passu* amongst the holders of that class in proportion to the number of C Shares of such class held by them;

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

(c) no dividend or other distribution shall be made or paid by the Company on any of its shares between the Calculation Date and the Conversion Date (both dates inclusive) and no such dividend shall be declared with a record date falling between the Calculation Date and the Conversion Date (both dates inclusive).

(iv) At a time when any C Shares are for the time being in issue and prior to the Conversion Date, on a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of C Shares in accordance with the provisions of the Articles and the Companies Law): the surplus capital and assets of the Company attributable to the C Shares remaining after payment of all creditors shall, subject to any rights of C Shares that may be issued with special rights or privileges, be divided amongst the holders of C Shares of each class *pro rata* to the relative NAVs of each of the classes of C Shares and within each such class such assets shall be distributed *pari passu* amongst the holders of C Shares of that class in proportion to the number of C Shares of that class held by them.

(v) As regards voting the C Shares shall carry the right to receive notice of and to attend, speak and vote at any general meeting of the Company. The voting rights of holders of C Shares will be the same as that applying to holders of Shares as if the C Shares and Shares were a single class.

(vi) Without prejudice to the generality of the Articles, for so long as any C Shares are for the time being in issue it shall be a special right attaching to the Shares as a class and to the C Shares as a separate class that without the sanction or consent of such holders given in accordance with the Articles:

(a) no alteration shall be made to the Memorandum or the Articles;

(b) no allotment or issue will be made of any security convertible into or carrying a right to subscribe for any share capital of the Company other than the allotment or issue of further C Shares;

(c) no resolution of the Company shall be passed to wind-up the Company; and

(d) no change shall be made to the accounting reference date.

For the avoidance of doubt but subject to the rights or privileges attached to any other class of shares, the previous sanction of a special resolution of the holders of Shares and C Shares, as described above, shall not be required in respect of:

(a) the issue of further Shares ranking *pari passu* in all respects with the Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Shares by the issue of such further Shares); or

(b) the sale of any shares held as treasury shares or the purchase or redemption of any shares by the Company (whether or not such shares are to be held in treasury).

(vii) For so long as any C Shares are for the time being in issue, until Conversion of such C Shares and without prejudice to its obligations under applicable laws the Company shall in relation to each class of C Shares:

(a) procure that the Company's records, and bank and custody accounts shall be operated so that the assets attributable to the C Shares of the relevant class can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall, without prejudice to any obligations pursuant to applicable laws, procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of the relevant class;

(b) allocate to the assets attributable to the C Shares of the relevant class such proportion of the income, expenses and liabilities of the Company incurred or accrued between the date on which the Company first receives the Net Proceeds attributable to such C Shares and the Calculation Date relating to such C Shares of the relevant class (both dates inclusive) as the Directors fairly consider to be attributable to such C Shares; and

(c) give appropriate instructions to the Portfolio Manager to manage the Company's assets so that such undertakings can be complied with by the Company.

(viii) The C Shares are issued on such terms that they shall be redeemable by the Company in accordance with the terms set out in the Articles. At any time prior to Conversion, the Directors may determine to redeem the C Shares then in issue by agreement with holders thereof in accordance with such procedures as the Directors may determine (subject to the facilities and procedures of CREST), in accordance with the provisions of the Articles and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant C shareholders.

(ix) In relation to each class of C Shares, the C Shares of that class for the time being in issue shall be sub-divided and converted and redesignated into Shares of the corresponding class and currency on the Conversion Date in accordance with the following provisions of this paragraph 4.2.17:

(a) the Directors shall procure that within 10 Business Days of the Calculation Date:

(1) the Conversion Ratio as at the Calculation Date and the numbers of Shares of the relevant class (and currency) to which each C Shareholder shall be entitled on Conversion shall be calculated; and

(2) the auditors shall be requested to perform procedures to compare the calculations with those set out in the Articles and re-perform the calculations described whereupon such calculations shall become final and binding on the Company and all holders of the Company's shares and any other securities issued by the Company which are convertible into the Company's shares, subject to the proviso immediately after the definition of H in paragraph 4.2.17(i) above.

(x) The Directors shall procure that, as soon as practicable following such confirmation, an announcement is made to a Regulatory Information Service, advising holders of C Shares of the relevant class of the Conversion Date, the Conversion Ratio and the aggregate number of new Shares of the relevant class to which holders of C Shares of the relevant class are entitled on Conversion.

(xi) Conversion shall take place at the Conversion Date. On Conversion:

(a) each issued C Share shall automatically convert and be redesignated into such number of new Shares of the corresponding class as shall be necessary to ensure that, upon Conversion being completed, the number of new Shares held by each former holder of C Shares equals the

number of C Shares of that class held by such former holder of C Shares at the Conversion Date multiplied by the Conversion Ratio (rounded down to the nearest whole new Share) according to their respective former holdings of C Shares of the relevant class and currency (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to new Shares, including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is hereby authorised as agent on behalf of the former holders of C Shares of the relevant class, in the case of a share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of the former holders of any C Shares of the relevant class who shall be bound by them;

(b) forthwith upon Conversion, any certificates relating to the C Shares of the relevant class shall be cancelled and the Company shall issue to each such former C Shareholder new certificates in respect of the new Shares which have arisen upon Conversion unless such former holder of any C Shares elects to hold their new Shares in uncertificated form;

(c) the Company will use its reasonable endeavours to procure that, upon Conversion, the new Shares are admitted to trading on the London Stock Exchange; and

(d) the Directors may make such adjustments to the terms and timings of Conversion as they, in their discretion, consider fair and reasonable having regard to the interest of all shareholders.

4.2.18 Disclosure of beneficial interests

(i) If any shareholder has been duly served with a notice given by the Directors in accordance with the Articles and is in default for the prescribed period in supplying to the Company the information thereby required, the Directors may in their absolute discretion at any time thereafter serve a notice (a "**Direction Notice**") directing that, in respect of (i) the shares comprising the shareholder account in the register of members which comprises or includes the shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the "**default shares**"); and (ii) any other shares held by the shareholder, the shareholder shall not be entitled to attend or vote (either personally or by representative or by proxy) at any general meeting or meeting of the holders of any class of shares of the Company or to exercise any other right conferred by membership in relation to any such meetings.

(ii) Where the default shares represent at least 0.25 per cent. of the class of shares concerned, then the direction notice may additionally direct that: (i) in respect of the default shares, any dividend or part thereof which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the shareholder; and (ii) no transfer other than an approved transfer (as set out in the Articles) of any of the shares held by such shareholder shall be registered unless (a) the shareholder is not himself in default as regards supplying the information requested; and (b) the transfer is of part only of the shareholder's holding and when presented for registration is accompanied by a certificate by the shareholder in a form satisfactory to the Directors to the effect that after due and careful enquiry the shareholder is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

4.2.19 Untraced shareholders

(i) The Company shall be entitled to sell (at a price which the Company shall use its reasonable endeavours to ensure is the best obtainable) the shares of a

shareholder or the shares to which a person is entitled by virtue of transmission on death or insolvency or otherwise by operation of law if and provided that:

(a) during the period of not less than 12 years prior to the date of the publication of the advertisements referred to below (or, if published on different dates, the first thereof) at least 3 dividends in respect of the shares in question have become payable and no dividend in respect of those shares has been claimed; and

(b) the Company shall following the expiry of such period of 12 years have inserted advertisements in a national newspaper and/or in a newspaper circulating in the area in which the last known address of the shareholder or the address at which service of notices may be effected under the Articles is located giving notice of its intention to sell the said shares; and

(c) during the period of 3 months following the publication of such advertisements (or, if published on different dates, the last thereof) the Company shall have received indication neither of the whereabouts nor of the existence of such shareholder or person; and

(d) notice shall have been given to the stock exchanges on which the Company is listed, if any.

(ii) The foregoing provisions are subject to any restrictions applicable under any regulations relating to the holding and/or transferring of securities in any paperless system as may be introduced from time to time in respect of the shares of the Company or any class thereof.

5. THE TAKEOVER CODE AND OTHER RELEVANT LAW AND REGULATION

5.1 The UK City Code on Takeovers and Mergers (the "**Takeover Code**") applies to all takeover and merger transactions in relation to the Company and operates principally to ensure that shareholders are treated fairly, are not denied an opportunity to decide on the merits of a takeover and to ensure that shareholders of the same class are afforded equivalent treatment. The Takeover Code provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers has now been placed on a statutory footing.

5.2 The Takeover Code is based upon a number of general principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company, the other holders of securities must be protected. Under Rule 9 of the Takeover Code, when (i) a person acquires shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code; or (ii) any person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights of a company subject to the Takeover Code, and such person, or any person acting in concert with him, acquires additional shares which increases his percentage of the voting rights, then in either case that person together with the persons acting in concert with him is normally required to make a general offer in cash, at the highest price paid by him, or any person acting in concert with him, for shares in the company within the preceding 12 months, for all the remaining equity share capital of the company. "Voting rights" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting.

5.3 Under the Companies Law, if, within four months after the date of making an offer the offer is approved by shareholders comprising 90 per cent. in value of the shares affected (excluding any shares held as treasury shares), the transferee may, within two months after the expiration of those four months, give notice to any dissenting shareholder that it desires to acquire his shares (a "**notice to acquire**"). Where a notice to acquire is given, the transferee is entitled and bound to acquire those shares on the terms on which the shares of the approving shareholders are to be transferred to the transferee. A dissenting shareholder may, within one month after the date of a notice to acquire, apply to the Royal

Court of Guernsey to cancel that notice. The Royal Court, on such an application may cancel the notice or make such order as it thinks fit.

6. MATERIAL CONTRACTS

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

6.1 Placing Agreement

The Placing Agreement dated 28 April 2015 between the Company, the Portfolio Manager, the Directors and Dexion, pursuant to which, subject to certain conditions, Dexion has agreed to use reasonable endeavours to procure subscribers for Shares.

The Placing Agreement may be terminated by Dexion in certain customary circumstances prior to First Admission or a Subsequent Admission (as the case may be). The Company has appointed Dexion as financial adviser and bookrunner to the Company in connection with the Initial Placing and the Placing Programme.

The obligation of the Company to issue the Shares and the obligation of Dexion to use its reasonable endeavours to procure subscribers for Shares to be issued pursuant to the Initial Placing and the Placing Programme are conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) First Admission occurring and becoming effective by 8.00 a.m. on or prior to 8 May 2015 (or such later time and/or date, not being later than 8 June 2015, as the Company and Dexion may agree); and (ii) the Placing Agreement not having been terminated in accordance with its terms.

In consideration for its services in relation to the Initial Placing and conditional upon completion of the Initial Placing, Dexion will be paid certain sums calculated by reference to the Gross Issue Proceeds (together with applicable VAT). "Gross Issue Proceeds'' means an amount equal to the aggregate, before any deductions or payments of fees or commissions, of the total gross proceeds raised under the Issue equal to the number of Shares issued at the Issue Price pursuant to the Issue subject to certain qualifications. Under the Placing Agreement, Dexion is entitled at its discretion and out of its own resources at any time to rebate to some or all investors, or to other parties (including the Portfolio Manager), part or all of its fees relating to the Placing. Dexion is also entitled under the Placing Agreement to retain agents and may pay commission in respect of the Placing to any or all of those agents out of its own resources.

The Company, the Directors and the Portfolio Manager have given warranties to Dexion concerning, *inter alia*, the accuracy of the information contained in this prospectus. The Company and the Portfolio Manager have also given indemnities to Dexion. The warranties and indemnities given by the Company and the Portfolio Manager are in customary form for an agreement of this nature.

The Placing Agreement is governed by and construed in accordance with the laws of England and Wales.

6.2 Portfolio Management Agreement

The Portfolio Management Agreement dated 28 April 2015 between the Company, the AIFM and the Portfolio Manager pursuant to which the Portfolio Manager has been given overall responsibility for the discretionary management of the Company's assets (including uninvested cash) in accordance with the Company's investment objective and investment policy, subject to the overall supervision and control of the Directors and the AIFM.

Fees

Under the terms of the Portfolio Management Agreement, the Portfolio Manager is entitled to receive from the Company a portfolio management fee which is calculated and accrue monthly at a rate equivalent to one-twelfth of one per cent. of the Net Asset Value per Share Class (before deducting the amount of that month's portfolio management fee and any performance fee). The portfolio management fee shall be calculated and accrue as at the last Business Day of each month and be paid monthly in arrears on the basis of the monthly Net Asset Value calculations.

The Portfolio Manager shall be entitled to receive from the Company a performance fee in respect of each Class of Shares equal to 15 per cent. of the total increase in the Net Asset Value per Share of the relevant Class at the end of the relevant Performance Period (as defined below) (as adjusted to, (i) add back the aggregate value of any dividends per Share paid to Shareholders since the end of the Performance Period in respect of which a performance fee was last paid in relation to that Class (or the date of First Admission, if no performance fee has been paid in respect of that Class), and (ii) exclude any accrual for unpaid performance fees) over the highest previously recorded Net Asset Value per Share of the relevant Class as at the end of the relevant Performance Period in respect of which a performance fee was last paid (or the Net Asset Value per Share of the relevant Class as at First Admission (after deduction of launch costs), if no performance fee has been paid in respect of that Class) multiplied by the number of issued and outstanding Shares of that Class at the end of the relevant Performance Period, having made adjustments for numbers of Shares of that Class issued and/or repurchased during the relevant Performance Period.

The first Performance Period in respect of the Shares commences on the date of First Admission and ends on 30 September 2015 and thereafter, in each 12 month period ending on 30 September in each year. The last Performance Period will end on the date on which the Portfolio Management Agreement is terminated or the Company is wound up.

Where Shares of a Class are repurchased during a Performance Period, the accrued performance fee, if any, in respect of the assets attributable to such Shares will be payable in cash on the date of repurchase on the basis set out above.

A performance fee, if payable, in respect of any Performance Period shall accrue monthly in the Net Asset Value on a provisional basis and, save as provided in respect of repurchases during a Performance Period, shall be paid annually as soon as practicable following its calculation. Subject at all times to compliance with relevant regulatory and tax requirements, for a given Performance Period any performance fee paid or payable shall be satisfied as to a maximum of 60 per cent. in cash and as to a minimum (save as set out below) of 40 per cent. by the issuance of new Euro Shares (rounded down to the nearest whole number of Euro Shares) (including the reissue of treasury shares) issued at the latest published Net Asset Value per Share applicable at the date of issuance. Each such tranche of Shares issued to the Portfolio Manager shall be subject to a lock-in undertaking for a period of two years post issuance. At no time shall the Portfolio Manager (and/or any persons deemed to be acting in concert with it for the purposes of the Takeover Code) be obliged, in the absence of a relevant Whitewash Resolution having been passed, to receive further Shares where to do so would trigger a requirement to make a mandatory offer pursuant to Rule 9 of the Takeover Code. Where any restriction exists on the issuance of further Shares to the Portfolio Manager, the relevant amount of the Performance Fee may be paid in cash.

Where Shares are converted from one Class to another Class, such conversion will not be treated for performance fee purposes as if there was a redemption and a subscription of Shares.

The Portfolio Manager may at its discretion enter into arrangements with certain investors pursuant to which it will rebate to such investors a portion of its management and performance fees received from the Company.

Termination

The Portfolio Management Agreement is terminable by either the Portfolio Manager or the Company giving to the other not less than 12 months' written notice, such notice not to be served before the seventh anniversary of First Admission.

In addition, in the event that any two of the Key Men cease to be involved with the Chenavari Financial Group (for whatever reason), the Company shall be entitled to terminate the Portfolio Management Agreement by giving to the Portfolio Manager 180 days written notice if the Portfolio Manager (within 180 days of being requested by the Board to do so) is unable to present a proposal which is reasonably acceptable to the Board to replace the departed Key Men. For the purposes of this paragraph where two of the Key Men depart within 180 days of each other they shall be deemed to have departed at the same time. The "**Key Men**" shall be Loïc Fery, Frederic Couderc and Benoît Pellegrini.

The Portfolio Management Agreement may be terminated by the Company with immediate effect on the occurrence of certain events, including:

(i) an order is made or an effective resolution is passed for winding up the Portfolio Manager otherwise than for the purpose of its amalgamation or solvent reconstruction; or

(ii) the Portfolio Manager shall be insolvent or stop or threaten to stop carrying on business or payment of its debts or make any arrangement with its creditors generally or, in the case of the Portfolio Manager, it shall be declared en désastre; or

(iii) a receiver or administrator of the Portfolio Manager is appointed over any of its assets or any undertaking of the Portfolio Manager pursuant to any applicable bankruptcy or insolvency proceedings; or

(iv) the Portfolio Manager commits a material breach of duty, negligence, wilful default, fraud or a material breach of applicable laws in connection with the performance of its services or a material breach of the Portfolio Management Agreement, which in each case is either irremediable or not remedied within 30 days of receipt by the Portfolio Manager of a notice signed on behalf of the Company requiring such breach to be rectified.

The Portfolio Management Agreement may be terminated by the Portfolio Manager with immediate effect on the occurrence of certain events, including:

(i) if the Company shall commit any material breach of its obligations under the Portfolio Management Agreement which is irremediable or not remedied within 30 days of receipt of written notice served by the Portfolio Manager requiring it so to do; or

(ii) if the Company shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Portfolio Manager) or if a receiver or administrator is appointed over all or any part of the assets of the Company; or

(iii) by giving notice in writing within 30 days of being notified of any material change in the investment policy which is not approved by the Portfolio Manager.

6.3 AIFM Agreement

The AIFM and the Company have entered into the AIFM agreement, dated 28 April 2015, pursuant to the terms of which the AIFM has been given responsibility, subject to the supervision of the Board, for the management of the Company in accordance with the Company's investment objective and policy.

Under the terms of the AIFM Agreement, the AIFM is entitled to receive from the Company an annual fee payable out of the assets of the Company of £66,000 (and shall equate to a monthly fee of £5,500). The AIFM shall also be entitled to a one off initiation fee of £20,000, payable within 30 days of First Admission together with all properly incurred costs and expenses.

The AIFM Agreement is terminable on either party giving the other not less than ninety days' written notice or on immediate notice on the occurrence of certain ''cause'' events. The AIFM's power to terminate the appointment of the Portfolio Manager under the Portfolio Management Agreement may only be exercised under the direction of the Board and the AIFM has agreed to comply with the instructions of the Board as regards any proposed termination of the Portfolio Manager's appointment. The Company has given certain indemnities to the AIFM in respect of losses suffered by the AIFM in the performance of its duties. These indemnities are typical for an agreement of this type.

The AIFM Agreement is governed by the laws of Jersey.

6.4 Administration Agreement

The Administration Agreement, dated 28 April 2015, between the Company and Morgan Sharpe Administration Limited whereby the Administrator was appointed to act as administrator and secretary of the Company.

The Administrator is entitled to a fee of 0.017 per cent. per annum of the Net Asset Value. All fees are payable quarterly in advance. In addition, the Administrator is entitled to receive

a set-up fee of £25,000, payable on First Admission and to reimbursement of certain expenses incurred by it in connection with its duties.

Under the Administration Agreement, the Company has given its consent to the Administrator appointing the Sub-Administrator as its sub-agent to perform certain of the Administrator's functions.

The Administration Agreement contains market standard provisions under which the Company exempts the Administrator from liability and indemnifies the Administrator against liability in the absence of negligence, fraud, wilful default or breach of the terms of the Administration Agreement for any loss, cost, expense or damage suffered as a result of or in the course of the discharge of the Administrator's duties under the Administration Agreement. Such an indemnity is market standard for an agreement of this nature.

The Administration Agreement may be terminated by either party on not less than 90 days' notice in writing provided that termination will be immediate if:

(i) either party breaches any of the terms of the Administration Agreement and such breach is incapable of remedy within 30 days; or

(ii) either party goes into liquidation or administration or an order is made or a resolution passed to put either party into liquidation or administration; or

(iii) lawful receiver is appointed;

(iv) either party is declared *en désastre* under the laws of Guernsey; or

(v) the Administrator ceases to be licensed to act as Administrator of the Company under the Protection of Investors (Bailiwick of Guernsey) Law, 1987; or

(vi) the Administrator is unable to fulfil its duties under the Administration Agreement in any material respect for a period of 3 months; or

(vii) the Administrator ceases to be resident in the Island of Guernsey for fiscal purposes; or

(viii) the Sub-Administration Agreement is terminated.

Upon termination, the Administrator will be entitled to receive all fees and other monies accrued due up to the date of such termination.

The Administration Agreement is governed by and construed in accordance with the laws of the island of Guernsey.

6.5 The Sub-Administration Agreement

The Sub-Administration Agreement, dated 28 April 2015, between the Company, the Administrator and Quintillion Limited whereby the Sub-Administrator was appointed to act as sub-administrator of the Company.

The Sub-Administrator is entitled to receive an annual asset-based fee from the Company of 0.073 per cent. per annum of the Net Asset Value. The Sub-Administrator is also entitled to reimbursement of certain expenses incurred by it in connection with its duties. The Sub-Administrator fees are subject to a rebate which may be agreed between the parties from time to time.

The Sub-Administration Agreement contains market standard provisions under which the Administrator exempts the Sub-Administrator from liability and indemnifies the Sub-Administrator from and against any and all direct claims and demands which may be made or brought against or suffered or incurred by the Sub-Administrator arising out of or in connection with the performance of the Sub-Administrator's duties under the Sub-Administration Agreement otherwise than by reason of the negligence, wilful default, bad faith, recklessness or fraud of the Sub-Administrator. Such an indemnity is market standard for an agreement of this nature.

The Sub-Administration Agreement may be terminated by any party on not less than 90 days' notice in writing provided that termination will be immediate where either of the other parties:

(i) commits any material breach of the terms of the Sub-Administration Agreement and such breach is incapable of remedy within 30 days; or

(ii) is unable to pay its debts as they fall due or otherwise becomes insolvent or is subject to the appointment of an examiner, receiver or administrator; or

(iii) is the subject of any petition for the appointment of an examiner or similar officer to it; or

(iv) has a receiver or administrator appointed over all or an substantial part of its undertaking, asset or revenues; or

(v) is the subject of an effective resolution for its winding up except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party; or

(vi) is the subject of a court order for its liquidation or winding up.

Upon termination, the Sub-Administrator will be entitled to receive all fees and other moneys accrued and due up to the date of such termination but shall not be entitled to compensation in respect of such termination.

The Sub-Administration Agreement is governed by and construed in accordance with the laws of the island of Guernsey.

6.6 The Custody Agreement

The Custody Agreement between the Company and JPMorgan Chase Bank, National Association dated 27 April 2015, pursuant to which the Custodian has agreed to provide custodial, settlement and other associated services to the Company.

The Custodian is entitled to a safekeeping and administration fee on each transaction calculated using a basis point fee charge based on the country of settlement and the value of the assets together with various other payment/wire charges on outgoing payments, subject to an aggregate minimum fee of £31,500 per annum. The Custodian will also be entitled to reimbursement of all reasonable and proper out of pocket expenses incurred by it in connection with its duties.

The Custodian is authorised under the Custody Agreement to act through and hold the Company's assets with sub-custodians. The Custodian will be liable for direct losses incurred by the Company that result from: (i) the failure by a sub-custodian to use reasonable skill, care and diligence in the provision of custodial services by it in accordance with the standards prevailing in the relevant market or from the fraud or wilful default of such sub-custodian in the provision of custodial services by it; or (ii) the insolvency of any sub-custodian affiliated with the Custodian provided that the Custodian will not be responsible for the insolvency of any sub-custodian which is not a branch or an affiliate of the Custodian.

The agreement may be terminated by either party on not less than 60 days' written notice in writing. The Custodian or the Company may terminate the Custody Agreement immediately upon notice to the other party upon the dissolution of the Company or the Custodian, as the case may be, or upon the commencement of any action or proceedings seeking liquidation, winding-up, insolvency, reorganisation or other similar relief in respect of the Custodian or the Company, as the case may be, or its debts under any insolvency or analogous proceedings in any jurisdiction. Upon termination, the Custodian will be entitled to all fees, costs and expenses due.

The Company will indemnify the Custodian, its sub-custodians and their respective nominees, directors, officers, employees and agents against, and hold them harmless from, any liabilities that may be imposed on, incurred by or asserted against any of them in connection with or arising out of (i) the Custodian's proper performance under the Custody Agreement, provided they have not acted with negligence or engaged in fraud or wilful default in connection with the liabilities in question, or (ii) any of their status as a holder of record of the Company's assets and provided that, to the extent appropriate in the circumstances, the Custodian will and will procure that all reasonable steps have been taken to avoid or mitigate such liabilities as soon as practicable after becoming aware of such liabilities.

The Custody Agreement is governed by and construed in accordance with the laws of Jersey.

6.7 Registrar Agreement

The Registrar Agreement between the Company and Capita Registrars (Guernsey) Limited dated 28 April 2015, pursuant to which the Registrar has been appointed as registrar to the Company. The Registrar shall be entitled to receive an annual fee from the Company based on activity and subject to an annual minimum charge of £6,000 (exclusive of any VAT). The Registrar shall also be entitled to reimbursement of all out of pocket costs, expenses and charges properly incurred on behalf of the Company.

Either party may terminate the Registrar Agreement on not less than three months' notice in writing to the other party, provided that such termination shall not be effective prior to the first anniversary of First Admission.

Either party may terminate the Registrar Agreement at any time by notice in writing to the other, on the occurrence of certain events.

The Registrar Agreement is governed by and construed in accordance with the laws of the island of Guernsey.

6.8 CISEA Sponsorship Agreement

The CISEA Sponsorship Agreement dated 28 April 2015 between the Company and the CISEA Sponsor whereby the CISEA Sponsor was appointed to act as the CISEA listing sponsor to the Company.

The CISEA Sponsor is entitled to a fee of £7,000 for the initial listing payable within 30 days of First Admission of the Shares to listing on the official list of the CISEA and an annual fee thereafter for ongoing sponsor services of £6,000. The CISEA Sponsor is also entitled to reimbursement of certain expenses incurred by it in connection with its duties.

The CISEA Sponsorship Agreement contains market standard provisions under which the Company exempts the CISEA Sponsor from liability and indemnifies the CISEA Sponsor against liability in the absence of negligence, fraud and/or wilful default for any loss, costs, expenses or damage suffered by the Sponsor.

The CISEA Sponsorship Agreement is terminated by either party on not less than 90 days' notice in writing and immediately on the occurrence of certain events.

The CISEA Sponsorship Agreement is governed and construed in accordance with the laws of the island of Guernsey.

6.9 The Lock-up Undertakings

The Lock-up Undertakings each dated 28 April 2015 between the Company and each of Loïc Fery, Frederic Couderc, Benoît Pellegrini and Mick Vasilache (the "**Lock-up Partners**") pursuant to the terms of which each of the Lock-up Partners have agreed not to transfer, dispose of or grant any options over 90 per cent. of the Roll-over Shares held by them at First Admission until the date being 18 months after First Admission. The Lock-up Undertakings contain exceptions, including the acceptance of a takeover offer, participation in any tender offer by the Company or any similar transaction, pursuant to an order of a court of competent jurisdiction, with the prior written approval of the Company (which approval may be granted or declined at their absolute discretion) and where a transfer is required to ensure that the relevant Lock-up Partner, together with the other partners of the Portfolio Manager, and their connected persons do not at any time have a beneficial interest in more than 20 per cent. of the profits of the Company for the purposes of Section 1147 of the Corporation Tax Act 2010. The Lock-up Undertakings are governed by the laws of England and Wales.

7. RELATED PARTY TRANSACTIONS

Save for the entry into by the Company of the Portfolio Management Agreement (as summarised in paragraph 6.2 of this Part IX) and the appointment letters relating to the Directors (as summarised in paragraph 3.5 of this Part IX), 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. LITIGATION

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

9. WORKING CAPITAL

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

10. NO SIGNIFICANT CHANGE

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

11. THIRD PARTY INFORMATION

11.1 Where third party information has been referenced in this prospectus, the source of that third party information has been disclosed. All information contained in this prospectus that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

11.2 The Portfolio Manager, who is authorised and regulated in the UK by the FCA and whose business address is set out at paragraph 13.4 of this Part IX and who is interested in the Company by virtue of its appointment as the Company's portfolio manager, accepts responsibility for the sections entitled ''Investment objective'', ''Target returns and dividend policy'', ''Investment policy'', ''Cash uses'', ''Commitment by partners of the Portfolio Manager'', ''Report and accounts'' and ''Net Asset Value'' in Part I of this prospectus; Parts II and III of this prospectus, the sections entitled ''The Portfolio Manager'', ''The investment process'' and ''Conflicts of interest – The Portfolio Manager'' in Part IV of this prospectus; and the sections entitled ''Risks relating to the Company'', ''Risks relating to the Company's investment objective and investment policy'', ''Risks relating to the Opportunistic Credit Strategy'', ''Risks relating to the Originated Transactions Strategy'' and ''Risks relating to the Portfolio Manager'' in the Risk Factors and declares that, having taken all reasonable care to ensure that such is the case, the information attributed to it in this prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Portfolio Manager consents to the inclusion of such information attributed to it in the form and context in which it is included.

12. 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 has not entered into any mortgage, charge or security interest, and the Company's issued share capital consists of one Share.

13. GENERAL

13.1 The Initial Placing of the Shares is being carried out on behalf of the Company by Dexion which is authorised and regulated in the UK by the FCA.

13.2 The Portfolio Manager may be a promoter of the Company. No amount or benefit has been paid, or given, to the promoter or any of their subsidiaries since the incorporation of the Company and none is intended to be paid, or given.

13.3 The AIFM is a private company with limited liability incorporated in Jersey with company registration number 116252 on 21 July 2014 and operates under the Companies Law (Jersey) 1991. The AIFM is regulated in Jersey under the Financial Services (Jersey) Law 1998 as amended, to carry on AIF services business and fund services business. The address of the AIFM is 8th Floor, Union House, Union Street, St Helier, Jersey JE2 3RF, and its telephone number is +44 (0) 1534 511786. The AIFM has given and not withdrawn its written consent to the issue of this prospectus with references to its name in the form and context in which such references appear.

13.4 The Portfolio Manager is a limited liability partnership incorporated in England and Wales with registration number OC337434. The Portfolio Manager is regulated by the FCA and the SEC. The address of the Portfolio Manager is 1 Grosvenor Place, London SW1X 7JH and its telephone number is +44 (0) 20 7259 3600. The Portfolio Manager has given and not withdrawn its written consent to the issue of this prospectus with references to its name in the form and context in which such references appear.

13.5 Dexion is registered in England and Wales under number 04040660 and its registered office is at 1 Tudor Street, London EC4Y 0AH. Dexion is regulated by the FCA and is acting in the capacity of financial adviser and bookrunner to the Company. Dexion has given, and has not withdrawn, its written consent to the issue of this prospectus with the inclusion of its name and references to it in the form and context in which they appear.

13.6 The Administrator is a company incorporated in Guernsey with registered number 41038 and its registered office is at Old Bank Chambers, La Grande Rue, St Martin's, Guernsey, Channel Islands, GY4 6RT (tel: +44 (0)1481 231100). The Administrator is registered in Guernsey and licensed under The Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) and The Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law 2000 (as amended) to carry on controlled investment business.

13.7 JPMorgan Chase Bank National Association, Jersey Branch is the Jersey branch of JPMorgan Chase Bank, National Association which is a national banking association formed under the laws of the United States with charter number 8 on 1 January 1824 and has its principal place of business at 1111 Polaris Parkway, Columbus, Ohio 43240 U.S.A. The Custodian's Jersey branch has its principal place of business at JPMorgan House, Grenville Street, Jersey, JE4 8QH (tel: + 44 (0) 1534 626262), is regulated as a bank by the Jersey Financial Services Commission and is registered in Jersey under the Banking Business (Jersey) Law 1991 (as amended) (the ''1991 Law'') in the conduct of ''deposit-taking business'' (as defined in the 1991 Law), Fund Services Business and Money Services Business under the Financial Services (Jersey) Law 1998.

13.8 As the Shares do not have a par value, the Issue Price for each Class consists solely of share premium.

13.9 No application is being made for the Shares to be dealt with in or on any stock exchange or investment exchange other than the Specialist Fund Market and the CISEA.

13.10 The Company does not own any premises and does not lease any premises.

14. RELATIONSHIP BETWEEN SHAREHOLDERS, THE COMPANY AND SERVICE PROVIDERS

14.1 The Company is a closed-ended investment company incorporated in Guernsey as a company limited by shares on 2 March 2015. While prospective investors will acquire an interest in the Company on subscribing for 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.

14.2 Shareholders' rights in respect of their investment in the Company are governed by the Articles, the Companies Law and the investment terms set out in this prospectus. Under Guernsey law, the following types of claims may in certain circumstances be brought against a company by its shareholders:

14.2.1 contractual claims under its articles of incorporation;

14.2.2 claims in misrepresentation in respect of statements made in this prospectus and other documents;

14.2.3 claims in respect of assumptions of responsibility by a director in favour of an individual Shareholder;

14.2.4 unfair prejudice claims under sections 349 to 352 of the Companies Law; and

14.2.5 derivative actions arising under Guernsey customary law.

14.3 In the event that a Shareholder considers that it may have a claim against the Company in connection with its investment in the Company, such Shareholder should consult its own legal adviser.

15. RIGHTS AGAINST THIRD PARTIES, INCLUDING THIRD PARTY SERVICE PROVIDERS

15.1 As the Company has no employees and the Directors have all been appointed on a non-executive basis, the Company is reliant on the performance of the service providers listed in this prospectus (the "**Service Providers**").

15.2 Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a Service Provider, each Shareholder's contractual relationship in respect of its investment in Shares is with the Company only. Therefore, no Shareholder will have any contractual claim against any Service Provider with respect to such Service Provider's default.

16. JURISDICTION AND APPLICABLE LAW

16.1 As noted above, Shareholders' rights are governed by the Articles, the Companies Law and the investment terms set out in this prospectus. By subscribing for Shares, investors agree to be bound by the Articles, the Companies Law and the terms set out in this prospectus.

16.2 Under the Judgments (Reciprocal Enforcement) (Guernsey) Law, 1957 as amended (the "**Judgments Law**") a judgment of a superior court can be reciprocally enforced in Guernsey by way of registration subject to certain qualifications to registration outlined in the Judgments Law. The scope of the Judgments Law is limited to a small number of jurisdictions including the United Kingdom, Israel, Netherlands and Italy. The Royal Court may (in its discretion) recognise as a valid judgment any final and conclusive judgment obtained in a court of a country other than those listed under the Judgments Law provided certain conditions are met. Legal advice needs to be taken before attempting to enforce a foreign judgment in the Guernsey courts.

17. AIFM DIRECTIVE ARTICLE 23 DISCLOSURES

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

Disclosure Requirement	Disclosure or location of disclosure
The circumstances in which the Company may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and any collateral and asset reuse arrangements, and the maximum level of leverage which the AIFM is entitled to employ on behalf of the Company	Under Article 23 of the AIFM Directive, the Company is required to disclose the circumstances in which the Company may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and any collateral and asset reuse arrangements, and the maximum level of leverage which the AIFM (where it undertakes Portfolio Management directly, or otherwise the Portfolio Manager as delegate of this function) is entitled to employ on behalf of the Company are set out in B.45 Borrowing Limit of the Summary of this prospectus, and in relation to the associated risks, in the section of this prospectus entitled "Risk Factors – Risks relating to the Shares – *The Company may use borrowings*". The leverage limitation provisions of the AIFM Directive do not apply to the Company because the Company is a "non-EU AIF" and the AIFM is a "non-EU AIFM" for purposes of the AIFM Directive. Consequently, the AIFM (where it undertakes Portfolio Management directly, or otherwise the Portfolio Manager as delegate of

Disclosure Requirement	Disclosure or location of disclosure
	this function) is not required to set a maximum level of leverage (as calculated pursuant to the AIFM Directive) for the Company. Notwithstanding this, the Company has set a borrowing limit such that the Company's gearing shall not exceed 130 per cent. at the time of incurrence and deployment of any borrowing. For the purposes of this calculation, gearing will be calculated as the sum of the Company's exposures to each position directly held, divided by the last published Net Asset Value (and for the avoidance of doubt, will include the full exposure held by the Company under any full recourse total return swap, but will exclude any borrowing arrangements that are limited-recourse to the Company, such as borrowings by an Originator).
A description of how the AIFM complies with the requirements of Article 9(7) of the AIFM Directive (professional negligence) relating to professional liability risk.	Article 9(7) of the AIFM Directive does not apply to the AIFM.
A description of the Company's liquidity risk management, including the redemption rights of investors in normal and exceptional circumstances, and the existing redemption arrangements with investors.	The Company is a closed-ended investment company incorporated in Guernsey on 2 March 2015. Shareholders are entitled to participate in the assets of the Company attributable to their shares in a winding-up of the Company or other return of capital, but they have no rights of redemption. Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected. The Company mitigates this risk by maintaining a balance between continuity of funding and flexibility through the use of bank deposits and loans.
A description of how the Company ensures a fair treatment of investors.	The Company has voluntarily committed to comply with the Premium Listing Principles of the UK Listing Authority. The Premium Listing Principles require an issuer to treat all Shareholders of a given class equally. In addition, as directors of a company incorporated in Guernsey, the Directors have certain fiduciary duties with which they must comply. These include a duty upon each Director to act in the way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. No investor has a right to obtain preferential treatment in relation to their investment in the Company and the Company does not give preferential treatment to any investors.

Disclosure Requirement	Disclosure or location of disclosure
	The Company's Shares of each Class rank *pari passu* with each other.
The procedure and conditions for the issue and sale of units or shares.	With effect from First Admission, the Company's Shares will be admitted to trading on the Specialist Fund Market and to listing and trading on the official list of the CISEA. Accordingly, the Company's Shares may be purchased and sold on the Specialist Fund Market and the CISEA. New Shares may be issued at the Board's discretion and providing relevant Shareholder issuance authorities are in place. Shareholders do not have the right to redeem their Shares. While the Company will typically have Shareholder authority to buy back Shares any such buy back is at the absolute discretion of the Board and no expectation or reliance should be placed on the Board exercising such discretion.
The latest annual report, in line with Article 22 of the AIFM Directive (Annual report of an AIF).	The Company has not yet published an annual report in line with Article 22 of the AIFM Directive. When published, annual reports can be found on the Company's website: http://www.torolimited.gg.
Where available, the historical performance of the Company.	The Company has not yet published any annual or interim financial statements. When published, annual and interim financial statements can be found on the Company's website: http://www.torolimited.gg.
A description of how and when the information required under paragraphs 4 of Article 23 of the AIFM Directive will be disclosed.	In order to meet the requirements of paragraph 4 of Article 23 of the AIFM Directive, the Company intends to disclose annually in the Company's annual report: (1) the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature if applicable; (2) any new arrangements for managing the liquidity of the Company; and (3) the current risk profile of the Company and the risk management systems employed by the AIFM to manage those risks.

18. DOCUMENTS AVAILABLE FOR INSPECTION

18.1 Copies of this prospectus and the Articles will be available for inspection at the registered office of the Company and at the offices of Wragge Lawrence Graham & Co LLP, 4 More London Riverside, London SE1 2AU during normal business hours on any weekday (Saturdays and public holidays excepted) until the first anniversary of First Admission.

18.2 Copies of the material contracts set out at paragraph 6 of this Part IX will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays and public holidays excepted) until the date of First Admission.

Dated 28 April 2015

PART X

TERMS AND CONDITIONS OF THE INITIAL PLACING AND PLACING PROGRAMME

1. Introduction

Each Placee which confirms its agreement to Dexion and/or Pershing Securities Limited ("**PSL**") (acting as the settlement agent of Dexion in connection with the Initial Placing and the Placing Programme) to subscribe for Shares under the Initial Placing and/or the Placing Programme will be bound by these terms and conditions and will be deemed to have accepted them.

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

2. Agreement to Subscribe for Shares

Conditional on: (i) First Admission occurring and becoming effective by 8.00 a.m. (London time) on or prior to 8 May 2015 (or such later time and/or date, not being later than 8 June 2015, as the Company, the Portfolio Manager and Dexion may agree and any Subsequent Admission under the Placing Programme occurring not later than 8.00 a.m. on such other dates as may be agreed between the Company, the Portfolio Manager and Dexion prior to the closing of each placing under the Placing Programme, not being later than 27 April 2016); (ii) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated on or before the date of First Admission or a Subsequent Admission (as the case may be); and (iii) Dexion confirming to the Placees their allocation of Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those Shares allocated to it by Dexion at the Issue Price or Placing Programme Price (as the case may be). 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

Each Placee must pay the relevant Issue Price or Placing Programme Price (as the case may be) for the Shares issued to the Placee in the manner and by the time directed by Dexion. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for Shares shall be rejected.

4. Subscriptions for Sterling Shares

Where due to minimum size requirements of the Sterling Share Class, it is determined by the Company (in consultation with Dexion) that no Sterling Shares shall be issued pursuant to the Initial Placing or a subsequent placing under the Placing Programme, any Placee has subscribed for Sterling Shares shall automatically be deemed to have irrevocably subscribed for Euro Shares.

5. 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 represent and warrant to each of the Company, the Portfolio Manager, the AIFM, the Registrar, Dexion and PSL that:

5.1 in agreeing to subscribe for Shares under the Initial Placing and/or the Placing Programme, it is relying solely on this prospectus and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Placing and/or the Placing Programme. It agrees that none of the Company, the Portfolio Manager, Dexion, PSL or the Registrar, nor any of their respective officers, agents (which, for the avoidance of doubt, in this prospectus

in respect of Dexion includes PSL) 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;

5.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Shares under the Placing and/or the Placing Programme, 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 Portfolio Manager, the AIFM, Dexion, PSL or the Registrar or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Initial Placing and/or the Placing Programme;

5.3 it has carefully read and understands this prospectus, and, if relevant, any supplementary prospectuses published by the Company, in its entirety and acknowledges that it is acquiring Shares on the terms and subject to the conditions set out in this Part X and the Articles as in force at the date of First Admission or any Subsequent Admission (as the case may be);

5.4 it has not relied on Dexion or any person affiliated with Dexion in connection with any investigation of the accuracy of any information contained in this prospectus;

5.5 the content of this prospectus is exclusively the responsibility of the Company and its Directors (and, as relevant, the Portfolio Manager) and neither Dexion nor any person acting on their respective behalf nor any of its affiliates are responsible for or shall have any liability for any information, representation or statement contained in this prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a placee to participate in the Initial Placing and/or the Placing Programme based on any information, representation or statement contained in this prospectus or otherwise;

5.6 it acknowledges that no person is authorised in connection with the Initial Placing and/or the Placing Programme to give any information or make any representation other than as contained in this prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by Dexion, PSL, the Company, the Portfolio Manager or the AIFM;

5.7 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;

5.8 it accepts that none of the Shares have been or will be registered under the laws of Australia, Canada, South Africa or Japan (each an "**Excluded Territory**"). Accordingly, the Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Excluded Territory unless an exemption from any registration requirement is available;

5.9 if it is within the United Kingdom, it is a person who falls within Articles 49 or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("**Order**") or is a person to whom the Shares may otherwise lawfully be offered under such Order, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Shares may be lawfully offered under that other jurisdiction's laws and regulations;

5.10 if it is a resident in the EEA:

5.10.1 it is a qualified investor within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of Directive 2003/71/EC, and

5.10.2 it is a person to whom the Shares may lawfully be marketed under the AIFM Directive or under the applicable implementing legislation of that relevant Member State;

5.11 in the case of any Shares acquired by an investor as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive (i) the Shares acquired by it in the Initial Placing and/or the Placing Programme have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any member state of the

European Economic Area which has implemented the Prospectus Directive (each a ''**Relevant Member State**'') other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of Dexion has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Directive as having been made to such persons;

5.12 if it is outside the United Kingdom, neither this prospectus nor any other offering, marketing or other material in connection with the Initial Placing and/or the Placing Programme 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 Initial Placing and/or the Placing Programme 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;

5.13 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;

5.14 if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for Shares under the Initial Placing and/or the Placing Programme and will not be any such person on the date any such Initial Placing and/or the Placing Programme is accepted;

5.15 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this prospectus or any other offering materials concerning the issue or the Shares to any persons within the United States or to any U.S. Persons, nor will it do any of the foregoing;

5.16 it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading ''United States Purchase and Transfer Restrictions'' in paragraph 6, below;

5.17 it acknowledges that none of Dexion nor any of its affiliates nor any person acting on its behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Initial Placing and/or the Placing Programme or providing any advice in relation to the Initial Placing and/or the Placing Programme and participation in the Initial Placing and/or the Placing Programme is on the basis that it is not and will not be a client of Dexion and that Dexion does not have any duties or responsibilities to it for providing protection afforded to their respective clients or for providing advice in relation to the Initial Placing and/or the Placing Programme nor in respect of any representations, warranties, undertaking or indemnities contained in any placing letter;

5.18 it acknowledges that where it is subscribing for Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this prospectus; and (iii) to receive on behalf of each such account any documentation relating to the Initial Placing and/or the Placing Programme in the form provided by the Company and/or Dexion and/or PSL. It agrees that the provision of this paragraph shall survive any resale of the Shares by or on behalf of any such account;

5.19 it irrevocably appoints any director of the Company and any director of Dexion 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;

5.20 it accepts that if the Initial Placing and/or the Placing Programme does not proceed or the conditions to the Placing Agreement are not satisfied or the Shares for which valid application are received and accepted are not admitted to trading on the SFM or to listing and trading on the CISEA for any reason whatsoever then none of Dexion or the Company, nor persons

controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;

5.21 in connection with its participation in the Initial Placing and/or the Placing Programme it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering ("**Money Laundering Legislation**") and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or (iii) subject to the Guernsey AML Requirements; or (iv) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;

5.22 it acknowledges that due to anti-money laundering requirements, Dexion and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Dexion, PSL and the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Dexion, PSL and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it;

5.23 it acknowledges that any person in Guernsey involved in the business of the Company who has a suspicion or belief that any other person (including the Company or any person subscribing for Shares) is involved in money laundering activities, is under an obligation to report such suspicion to the Financial Intelligence Service pursuant to the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 (as amended);

5.24 it acknowledges and agrees that information provided by it to the Company, Registrar or Administrator will be stored on the Registrar's and the Administrator's computer system and manually. It acknowledges and agrees that for the purposes of the Data Protection (Bailiwick of Guernsey) Law, 2001 (the "**Data Protection Law**"), and other relevant data protection legislation which may be applicable, the Registrar and the Administrator are required to specify the purposes for which they will hold personal data. The Registrar and the Administrator will only use such information for the purposes set out below (collectively, the "**Purposes**"), being to:

5.24.1 process its personal data (including sensitive personal data) as required by or in connection with its holding of Shares, including processing personal data in connection with credit and money laundering checks on it;

5.24.2 communicate with it as necessary in connection with its affairs and generally in connection with its holding of Shares;

5.24.3 provide personal data to such third parties as the Administrator or Registrar may consider necessary in connection with its affairs and generally in connection with its holding of Shares or as the Data Protection Law may require, including to third parties outside the Bailiwick of Guernsey or the European Economic Area where there may be no data protection laws;

5.24.4 without limitation, provide such personal data to the Company, Dexion, PSL, the Portfolio Manager and their respective Associates for processing, notwithstanding that any such party may be outside the Bailiwick of Guernsey or the European Economic Area; and

5.24.5 process its personal data for the Administrator's internal administration;

5.25 in providing the Registrar and the Administrator with information, it hereby represents and warrants to the Registrar and the Administrator that it has obtained the consent of any data subjects to the Registrar and the Administrator and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects

for the processing of any sensitive personal data for the Purposes set out in paragraph 5.24). For the purposes of this prospectus, ''data subject'', ''personal data'' and ''sensitive personal data'' shall have the meanings attributed to them in the Data Protection Law;

5.26 Dexion and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them;

5.27 the representations, undertakings and warranties contained in this prospectus are irrevocable. It acknowledges that Dexion and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Shares are no longer accurate, it shall promptly notify Dexion and the Company;

5.28 where it or any person acting on behalf of it is dealing with Dexion, any money held in an account with Dexion on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the Financial Conduct Authority which therefore will not require Dexion to segregate such money, as that money will be held by Dexion under a banking relationship and not as trustee;

5.29 any of its clients, whether or not identified to Dexion, will remain its sole responsibility and will not become clients of Dexion for the purposes of the rules of the Financial Conduct Authority or for the purposes of any other statutory or regulatory provision;

5.30 it accepts that the allocation of Shares shall be determined by the Company in its absolute discretion but in consultation with Dexion and that the Company may scale down any commitments for this purpose on such basis as it may determine; and

5.31 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 Initial Placing and/or the Placing Programme.

6. United States Purchase and Transfer Restrictions

By participating in the Initial Placing and/or the Placing Programme, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Portfolio Manager, the AIFM, the Registrar and Dexion that:

6.1 at the time when any offer of any Shares was made to it, it was and, at the time when any buy order is originated by it with respect to any Shares, it will be ''outside the United States'', within the meaning of Rule 902(h) under the U.S. Securities Act and is not acquiring the Shares for the account or benefit of a U.S. Person;

6.2 it acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Company is relying on an exemption from the registration requirements of the U.S. Securities Act in making the offer and sale of the Shares. The Shares may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or an exemption from registration under the U.S. Securities Act;

6.3 it acknowledges that the Company has not registered under the U.S. Investment Company Act and that the Company has put in place certain transfer restrictions to ensure that the Company is not and will not be required to register under the U.S. Investment Company Act;

6.4 unless the Company expressly consents in writing otherwise, no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of (i) an ''employee benefit plan'' as defined in Section 3(3) of ERISA that is subject to Part 4 of Title I of ERISA; (ii) a ''plan'' as defined in and subject to Section 4975 of the U.S. Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements by reason of any such plans' investment in the entity. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal,

state, local or non-U.S. law that is substantially similar to the provisions of Part 4 of Title I of ERISA or Section 4975 of the U.S. Code, its purchase, holding, and disposition of the Shares must not constitute or result in a non-exempt violation of any such substantially similar law;

6.5 that if any Shares are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

"TORO LIMITED (THE "**COMPANY**") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**U.S. INVESTMENT COMPANY ACT**"). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE U.S. SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE U.S. INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS. FURTHER, NO PURCHASE, SALE OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE IF SUCH PURCHASE, SALE OR TRANSFER WOULD RESULT IN THE ASSETS OF THE COMPANY CONSTITUTING "PLAN ASSETS" WITHIN THE MEANING OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), THAT ARE SUBJECT TO PART 4 OF TITLE I OF ERISA OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.";

6.6 if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the Shares, it will do so only in compliance with an exemption from the registration requirements of the U.S. Securities Act and under circumstances which will not; (a) require the Company to register under the U.S. Investment Company Act; and (b) will not result in the assets of the Company constituting "plan assets" within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), that are subject to Part 4 of Title I of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended (the "**U.S. Code**"). It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory and automatic transfer provisions as provided in the Articles and described at paragraph 4.2.7 of Part IX of this prospectus;

6.7 it is purchasing the Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Shares in any manner that would violate the U.S. Securities Act, the U.S. Investment Company Act or any other applicable securities laws;

6.8 it acknowledges that the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person's status under the U.S. federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the U.S. securities laws to transfer such Shares or interests in accordance with the Articles;

6.9 it acknowledges that the Portfolio Manager claims an exemption under CFTC Rule 4.7 from certain regulatory requirements with respect to the Company (which are intended to provide certain regulatory safeguards to investors);

6.10 it is a QEP as defined in CFTC Rule 4.7 under the U.S. Commodity Exchange Act and it agrees to furnish any additional information requested by the Company or any of its affiliates to assure compliance with applicable U.S. federal commodities laws in connection with the purchase and sale of the Shares;

6.11 it acknowledges and understands that the Company is required to comply with FATCA and that the Company will follow FATCA's extensive reporting and withholding requirements. The Placee agrees to provide the Company at the time or times prescribed by applicable law and

at such time or times reasonably requested by the Company such information and documentation prescribed by applicable law and such additional documentation reasonably requested by the Company as may be necessary for the Company to comply with its obligations under FATCA;

6.12 it is entitled to acquire the Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Portfolio Manager, the AIFM, Dexion, PSL or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Initial Placing and/or the Placing Programme or its acceptance of participation in the Initial Placing and/or the Placing Programme;

6.13 it has received, carefully read and understands this prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this prospectus or any other presentation or offering materials concerning the Shares to within the United States or to any U.S. Persons, nor will it do any of the foregoing; and

6.14 if it is acquiring any Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

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

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

7. Supply and Disclosure of Information

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

8. Miscellaneous

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

On application, if a Placee is 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 Initial Placing and/or the Placing Programme will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.

Each Placee agrees to be bound by the Articles once the Shares, which the Placee has agreed to subscribe for pursuant to the Initial Placing and/or the Placing Programme and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims), have been acquired by the Placee. The contract to subscribe for Shares under the Initial Placing and/or the Placing Programme 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 Dexion, PSL, the Company and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for Shares under the Initial Placing and/or the Placing Programme, 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.

Dexion and the Company expressly reserve the right to modify the Initial Placing and/or the Placing Programme (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Initial Placing and/or the Placing Programme is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are contained in Part IX of this prospectus.

PART XI

DEFINITIONS

The following definitions apply in this prospectus unless the context otherwise requires:

"**ABS**" or "**Asset Backed Securities**"	means any security that entitles the holder to receive payments that depend primarily on the cash flow from, the market value of, or the credit exposure to, a specified pool of financial assets, either fixed or revolving, together with rights or other assets designed to assure the servicing or timely distribution of proceeds to the holder of the securities
"**Administration Agreement**"	means the administration agreement between the Company and the Administrator, a summary of which is set out in paragraph 6.4 of Part IX of this prospectus
"**Administrator**"	means Morgan Sharpe Administration Limited and its Affiliates and/or such other person or persons appointed as administrator from time to time by the Company; the Administrator is the designated manager of the Company for the purposes of the Registered Collective Investment Scheme Rules 2015
"**Admission**"	means the admission of Shares to trading on the Specialist Fund Market and to listing and trading on the official list of the CISEA
"**Affiliate**"	means an affiliate of, or person affiliated with, a specified person; 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
"**AIF**"	means an alternative investment fund for the purposes of the AIFM Directive
"**AIFM**"	means Carne Global AIFM Solutions (C.I.) Limited
"**AIFM Agreement**"	means the AIFM agreement between the Company and the AIFM, a summary of which is set out in paragraph 6.3 of Part IX of this prospectus
"**AIFM Directive**"	means the EU Directive on Alternative Investment Fund Managers (Directive 2011/61/EC)
"**Articles**"	means the articles of incorporation of the Company
"**Assenting Toro Capital Shareholder**"	means a Toro Capital I shareholder voting in favour of the Liquidation Scheme
"**Audit Committee**"	means the audit committee of the Company from time to time
"**Auditor**"	means Deloitte LLP
"**Benefit Plan Investor**"	means "benefit plan investors" (as defined in Section 3(42) of ERISA and any regulations promulgated thereunder), including without limitation: (i) any "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to the provisions of Part 4 of Title I of ERISA; (ii) a "plan" as defined in and subject to Section 4975 of the U.S. Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements by reason of any such plans' investment in the entity
"**Business Day**"	means a day on which the London Stock Exchange and banks in London and Guernsey are normally open for business
"**C Shareholder**"	means a holder of C Shares
"**C Shares**"	means unclassified shares of no par value, redeemable at the option of the Company, in the capital of the Company issued and designated as "C Shares" of such classes (denominated in such

	currencies) as the Directors may determine in accordance with the Articles, and having such rights and being subject to such restrictions as contained in the Articles and which will convert into Shares of the relevant class in accordance with the terms of the Articles
"**CDO**"	means collateralised debt obligation
"**CFTC**"	means the U.S. Commodity Futures Trading Commission
"**Chairman**"	means the chairman of the Board from time to time
"**CISEA**"	means the Channel Islands Securities Exchange Authority Limited
"**CISEA Sponsor**"	means the Administrator
"**CISEA Sponsorship Agreement**"	means the CISEA sponsorship agreement between the Company and the CISEA Sponsor, a summary of which is set out in paragraph 6.8 of Part IX of this prospectus
"**Chenavari Financial Group**"	means Chenavari Financial Group Limited and its Affiliates (including the Portfolio Manager)
"**Class**"	means a class of Shares
"**CLO**"	means a special purpose vehicle which issues debt securities in the form of senior and subordinated tranches back by a pool of collateral consisting primarily of loans
"**CLO Debt Tranche Securities**"	means all tranches of debt securities issued by a CLO, including CLO Equity Tranche Securities
"**CLO Equity Tranche Securities**"	means the most subordinated tranche of debt issued by a CLO (which may be represented by a debt or equity security)
"**CLO Manager**"	means the manager of a CLO
"**CLO Retention Securities**"	means CLO Debt Tranche Securities held with the intention of meeting EU Risk Retention Requirements
"**CLO Securities**"	means CLO Debt Tranche Securities and CLO Equity Tranche Securities
"**CMBS**"	means commercial mortgage backed securities
"**Commission**" or "**GFSC**"	means the Guernsey Financial Services Commission
"**Companies Law**"	means The Companies (Guernsey) Law, 2008, as amended
"**Company**"	means Toro Limited, a Registered Closed-ended Collective Investment Scheme incorporated in Guernsey under the Companies Law on 2 March 2015 with registered number 59940
"**Concert Party**"	has the meaning given to it on page 64 of this prospectus
"**CPO**"	means a commodity pool operator as defined in the U.S. Commodity Exchange Act and regulations thereunder
"**CRA Regulations**"	means Regulation (EC) No 1060/2009 on credit rating agencies
"**CREST**"	means the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755) of the United Kingdom
"**CREST Guernsey Requirements**"	means Rule 8 and such other rules and requirements of Euroclear as may be applicable to issuers as from time to time specified in the CREST Manual
"**CREST Manual**"	means the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms

"**CREST Regulations**"	means the Uncertificated Securities Regulations 2001 (SI No. 2001/3755) and the CREST Guernsey Requirements
"**CRR**"	means Regulation 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms as amended from time to time, and relevant delegated legislation and technical standards
"**Custodian**"	means JPMorgan Chase Bank National Association, Jersey Branch or such other person or persons from time to time appointed by the Company as Custodian
"**Custody Agreement**"	means the custody agreement between the Company and the Custodian, a summary of which is set out in paragraph 6.6 of Part IX of this prospectus
"**Dexion**"	means Dexion Capital plc
"**Directors**" or "**Board**"	means the directors of the Company
"**Disclosure and Transparency Rules**"	means the disclosure rules and transparency rules made by the FCA under Part VI of FSMA
"**Dodd-Frank Act**"	means the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act
"**Effective Date**"	means the effective date for the implementation of the Liquidation Scheme and the issue of the Roll-over Shares
"**EEA**"	means the European Economic Area
"**ERISA**"	means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations promulgated thereunder
"**EU**"	means the European Union
"**EU Savings Tax Directive**"	means the European Union Savings Directive (Council Directive 2003/48/EC)
"**EU Risk Retention Requirements**"	means (i) Part V of the CRR and any guidance or technical standards published in relation thereto, (ii) Article 51 of Regulation (EU) No 231/2013 as amended from time to time and Article 17 of the AIFM Directive, as implemented by Section 5 of Chapter III of the European Union Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012, supplementing the AIFM Directive and (iii) Articles 254 and Article 256 of Commission Delegated Regulation (EU) 2015/35, in each case including any guidance published in relation thereto and any implementing laws or regulations in force in any Member State of the European Union
"**Euroclear**"	means Euroclear UK & Ireland Limited
"**Euro**"	means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Union, as amended from time to time
"**Euro Share**"	means the Shares to be issued in Euros
"**European Commission**"	means the Commission of the EU
"**Eurozone**"	means those member states of the EU which have adopted the Euro as their lawful currency
"**Financial Conduct Authority**" or "**FCA**"	means the Financial Conduct Authority
"**FDAP**"	means with regards to U.S. federal withholding tax, any fixed and determinable annual or periodical income derived by the Company
"**First Admission**"	means Admission of the Roll-over Shares and any Issue Shares

"**FSMA**"	means the Financial Services and Markets Act 2000, as amended
"**FTT**"	means the European Commission's proposal for a Directive for a common financial transaction tax in certain EU Member States
"**Gross Asset Value**"	means the total assets of the Company as determined in accordance with the accounting principles adopted by the Directors
"**Gross Issue Proceeds**"	means the aggregate value of the Shares issued under the Issue at the Issue Price or U.S. Subscription Price (as the case may be)
"**Guernsey AML Requirements**"	means The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), The Drug Trafficking (Bailiwick of Guernsey) Law, 2000 (as amended), The Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 (as amended), ordinances, rules and regulations made thereunder, and the GFSC's Handbook for Financial Services Businesses on Countering Financial Crime and Terrorist Financing (as amended, supplemented and/or replaced from time to time)
"**Guernsey IGA Legislation**"	has the meaning given to it on page 43 in the section entitled Risk Factors in this prospectus
"**HMRC**"	means Her Majesty's Revenue and Customs
"**IFRS**"	means International Financial Reporting Standards as adopted by the EU
"**Initial Placing**"	means the placing of Sterling Shares at the Issue Price of £1.00 per Sterling Share and Euro Shares at the Issue Price of €1.00 per Euro Share as described in this prospectus
"**ISA**"	means an individual savings account
"**ISIN**"	means International Securities Identification Number
"**Issue**"	means together the Initial Placing and the U.S. Subscription
"**Issue Price**"	means £1.00 per Sterling Share and €1.00 per Euro Share
"**Issue Shares**"	means the Sterling Shares and Euro Shares issued pursuant to the Initial Placing and the U.S. Subscription
"**Judgments Law**"	means the Judgments (Reciprocal Enforcement) (Guernsey) Law, 1957 as amended
"**Key Men**"	means Loïc Fery, Frederic Couderc and Benoît Pellegrini
"**Liquidation Scheme**"	the proposals for the liquidation of Toro Capital I as more specifically set out in Part III of this prospectus
"**Liquidator**"	means the liquidator of Toro Capital I to be appointed pursuant to the terms of the Liquidation Scheme
"**Listing Rules**"	means the listing rules made by the UK Listing Authority pursuant to Part VI of FSMA
"**Lock-up Undertakings**"	means the lock-up undertakings entered into between the Company and various partners of the Portfolio Manager (or their holding companies) a summary of which are set out in paragraph 6.9 of Part IX of this prospectus.
"**London Stock Exchange**" or "**LSE**"	means the London Stock Exchange plc
"**Managed Account**"	has the meaning given to it on page 63 of this prospectus
"**Manager**"	means Carne Global AIFM Solutions (C.I.) Limited
"**MBS**"	means mortgage backed securities
"**Memorandum**"	means the memorandum of incorporation of the Company
"**Minimum Net Proceeds**"	means Net Proceeds equal to in aggregate €150 million

"**Model Code**"	means the model code for directors' dealings contained in the Listing Rules
"**Money Laundering Directive**"	means the Third Money Laundering Directive (2005/60/EC)
"**Net Asset Value**" or "**NAV**"	means the value of the assets of the Company or a class of shares of the Company, as the case may be, less its liabilities (including accrued but unpaid fees), determined by the Directors in their absolute discretion in accordance with the accounting principles adopted by the Directors
"**NAV per Share**" or "**Net Asset Value per Share**"	means the NAV divided by the number of Shares in issue at the relevant time
"**Net Issue Proceeds**"	means the Gross Issue Proceeds less the applicable fees and expenses of the Issue
"**Net Proceeds**"	means in aggregate the value of the Seed Assets to be contributed to the Company pursuant to the terms of the Liquidation Scheme and the Net Issue Proceeds
"**NISA**"	means a new ISA
"**OECD Member State**"	means a member state of the Organisation for Economic Co-operation and Development
"**Opportunistic Credit Strategy**"	means the strategy forming part of the investment policy under which the Company will opportunistically invest or trade in primary and secondary market ABS investments and private asset backed finance investments
"**Originator**"	means the originator or sponsor of an Originated Credit Investment
"**Originated Credit Investment**"	means a CLO or a securitisation of a pools of consumer loan assets, in particular residential mortgages, credit card receivables or auto loans
"**Originated Transactions Strategy**"	means the strategy forming part of the investment policy under which the Company will invest in transactions on a buy-to-hold basis, via a variety of means, which can originate credits that may be refinanced in structured credit markets as well as other financing opportunities
"**Overseas Persons**"	means persons who are resident in, or who are citizens of, or who have registered addresses in, territories other than the UK and Guernsey
"**Panel**"	means the Panel on Takeovers and Mergers
"**Performance Period**"	has the meaning set out on page 87 of this prospectus
"**Placee**"	means a person subscribing for Shares under the Initial Placing or the Placing Programme (as the case may be)
"**Placing Agreement**"	means the conditional agreement between the Company, the Portfolio Manager, the Directors and Dexion, a summary of which is set out in paragraph 6.1 of Part IX of this prospectus
"**Placing Programme**"	means the proposed programme of placings of Shares and/or C Shares as described in this prospectus
"**Placing Programme Price**"	means the price at which Shares will be issued pursuant to the Placing Programme to Placees, being such price, not less that the aggregate of the prevailing Net Asset Value per Share of the relevant Class cum-income and a premium at least sufficient to cover the costs and expenses of issuing the Shares (including, without limitation, any placing commissions)
"**Plan Asset Regulations**"	means the regulations promulgated by the U.S. Department of Labor at 29 CFR 2510.3-101, as modified by section 3(42) of ERISA

"**Portfolio Manager**"	means Chenavari Credit Partners LLP
"**Portfolio Management Agreement**"	means the portfolio management agreement between the AIFM, the Company and the Portfolio Manager, a summary of which is set out in paragraph 6.2 of Part IX of this prospectus
Profit Participating Instruments"	means financing instruments, hybrid debt or equity instruments to be issued by an Originator and acquired by the Company or other equivalent financial facilities
"**Prospectus Directive**"	means Directive 2003/71/EC of the European Parliament and Council on the prospectus to be offered when transferable securities are offered to the public or admitted to trading
"**Prospectus Rules**"	means the prospectus rules made by the UK Listing Authority under section 73(A) of FSMA
"**Qualified Institutional Buyer**" or "**QIB**"	has the meaning given to it in Rule 144A under the U.S. Securities Act
"**Qualified Eligible Person**" or "**QEP**"	has the meaning given to it in Rule 4.7 under the U.S. Commodity Exchange Act
"**Qualified Purchaser**" or "**QP**"	has the meaning given to it in Section 2(a)(51) of the U.S. Investment Company Act
"**Registrar Agreement**"	means the registrar agreement between the Company and the Registrar, a summary of which is set out in paragraph 6.7 of Part IX of this prospectus
"**Registrar**"	means Capita Registrars (Guernsey) Limited or such other person or persons from time to time appointed by the Company
"**Regulations**"	the Uncertificated Securities (Guernsey) Regulations, 2009
"**Regulation S**"	means Regulation S promulgated under the U.S. Securities Act
"**Relevant Chenavari Partners**"	has the meaning given to it on page 63 of this prospectus
"**Retention Securities**"	means CLO Debt Tranche Securities or equivalent securities for non-CLO securitisations held by an Originator with the intention of meeting the EU Risk Retention Requirements
"**RIS**" or "**Regulatory Information Service**"	means a regulatory information service as defined in the Listing Rules
"**Risk Factors**"	means the risk factors pertaining to the Company set out on pages 18 to 45 of this prospectus
"**RMBS**"	means residential mortgage backed securities
"**Roll-over Shares**"	means the Euro Shares and Sterling Shares (if any) to be issued pursuant to the Liquidation Scheme to Assenting Toro Capital Shareholders at a deemed issue price of €0.9825 per Euro Share and £0.9825 per Sterling Share (if relevant)
"**Royal Court**"	means the Royal Court of Guernsey
"**SDRT**"	means Stamp Duty Reserve Tax
"**SEC**"	means the U.S. Securities and Exchange Commission
"**SEDOL**"	means Stock Exchange Daily Official List
"**Seed Assets**"	means the proportion of the assets of Toro Capital I to be transferred to the Company pursuant to the Liquidation Scheme and the terms of the Transfer Agreement
"**Service Providers**"	has the meaning given to it on page 144 in the section entitled "Additional Information" in this prospectus
"**Shares**"	means unclassified shares, redeemable at the option of the Company, of no par value in the capital of the Company issued and designated as "ordinary shares" of such classes (denominated in such currencies) as the Directors may

	determine in accordance with the Articles, and having such rights and being subject to such restrictions as contained in the Articles and, for the purposes of this prospectus, the Sterling Shares and the Euro Shares
"**Shareholder**"	means a holder of Shares
"**Shareholding**"	means a holding of Shares
"**SIPP**"	means a self-invested personal pension
"**SME**"	means small and medium-sized enterprises
"**Specialist Fund Market**" or "**SFM**"	means the Specialist Fund Market of the London Stock Exchange
"**SSAS**"	means a small self administered scheme as defined in Regulation 2 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self Administered Schemes) Regulations 1991 (SI 1991/1614)
"**Sterling**" or "**Pounds Sterling**"	means the lawful currency of the United Kingdom
"**Sterling Shares**"	means the Shares to be issued in Sterling
"**Sub-Administrator**"	means Quintillion Limited
"**Sub-Administration Agreement**"	means the sub-administration agreement between the Company, the Administrator and the Sub-Administrator, a summary of which is set out in paragraph 6.5 of Part IX of this prospectus
"**Subsequent Admission**"	means each Admission of Shares issued pursuant to the Placing Programme (and/or any subsequent U.S. subscription)
"**Takeover Code**"	means the UK City Code on Takeovers and Mergers
"**Taxes Act**"	means the Income and Corporation Taxes Act 1988, as amended
"**Toro Capital I**"	means Toro Capital I a *société en commandite par actions* formed as an open-ended investment company qualifying under Luxembourg law as a *société d'investissement à capital variable – fonds d'investissement specialise* registered in Luxembourg pursuant to the law of 13 February 2007 on specialised investment funds, as amended and the law of 10 August 1915 on commercial companies, as amended
"**Transfer Agreement**"	means the agreement to be entered into between the liquidator of Toro Capital I and the Company on or prior to the Effective Date, providing, *inter alia*, for the transfer of assets from Toro Capital I to the Company pursuant to the terms of the Liquidation Scheme
"**UBTI**"	means, with regards to a U.S. tax-exempt organisation any unrelated business taxable income
"**UK Corporate Governance Code**"	means the UK Corporate Governance Code as published by the Financial Reporting Council
"**UK Listing Authority**" **or** "**UKLA**"	means the Financial Conduct Authority as the competent authority for listing in the United Kingdom
"**UK**" or "**United Kingdom**"	means the United Kingdom of Great Britain and Northern Ireland
"**UK-Guernsey IGA**"	has the meaning given to it on page 43 in the section entitled "Risk Factors" in this prospectus
"**uncertificated form**" or "**in uncertificated form**"	means recorded on the register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
"**United States**" or "**U.S.**"	means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
"**U.S. Advisers Act**"	means the U.S. Investment Advisers Act of 1940, as amended

"**U.S. Code**"	means the United States Internal Revenue Code of 1986, as amended
"**U.S. Commodity Exchange Act**"	means the U.S. Commodity Exchange Act, as amended
"**U.S. Exchange Act**"	means the U.S. Securities Exchange Act of 1934, as amended
"**U.S. Investment Company Act**"	means the U.S. Investment Company Act of 1940, as amended
"**U.S.-Guernsey IGA**"	has the meaning given to it on page 43 in the section entitled "Risk Factors" in this prospectus
"**U.S. Holders**"	means a U.S. resident Shareholder
"**U.S. Persons**"	has the meaning given to it in Regulation S under the U.S. Securities Act
"**U.S. Risk Retention Regulations**"	means the joint final regulations implementing the credit risk retention requirements of section 15G of the U.S. Exchange Act as added by the Dodd-Frank Act and adopted on 21 and 22 October 2014
"**U.S. Securities Act**"	means the U.S. Securities Act of 1933, as amended
"**U.S. Subscription** "	means the limited subscription offer made available by the Company to certain U.S. Persons to subscribe for Shares as further described in Part V of this prospectus
"**U.S. Subscription Price**"	means an amount not less than €0.9825 per Euro Share and £0.9825 per Sterling Share together with any commissions payable for distribution
"**U.S. Tax-Exempt Shareholder**"	means a U.S. tax exempt organisation
"**Valuation Date**"	means 30 April 2015
"**VAT**"	means Value Added Tax
"**Volcker Rule**"	has the meaning given to it on page 44 in the section entitled "Risk Factors" in this prospectus
"**Warehouse Credit Facility**"	(a) a credit facility under which an Originator will borrow funds in order to acquire loan assets with such funds being repaid upon transfer (if required) of the loan assets to a securitisation which may be borrowings on a full recourse to the Originator basis, or if established using a special purpose entity, on a limited recourse basis; or (b) a derivative facility under which an Originator will trade in order to acquire exposure to loan assets and where such facility will be terminated on the direct or indirect transfer of such loan assets to a securitisation
"**Whitewash Resolution**"	has the meaning given to it on page 64 of this prospectus