

This document is issued by ScotGems plc (the "Company") solely in order to make certain particular information available to investors in the Company before they invest, in accordance with the requirements of the FCA Rules implementing the EU Alternative Investment Fund Managers Directive in the United Kingdom. It is made available to investors in the Company at www.scotgems.com.

Potential investors in the Company's shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

ScotGems plc

INVESTOR DISCLOSURE DOCUMENT

9 December 2019

IMPORTANT INFORMATION

Regulatory status of the Company

ScotGems plc is an 'alternative investment fund' ("AIF") for the purposes of the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU) (the "AIFMD").

From launch the Company's shares are listed on the premium segment of the Official List of the UK Listing Authority and are admitted to trading on the main market of the London Stock Exchange. The Company is subject to its articles of association the Listing Rules, the Disclosure Guidance and Transparency Rules, the UK corporate governance code and the Companies Act 2006.

The provisions of the Company's articles of association are binding on the Company and its shareholders. The articles of association set out the respective rights and restrictions attaching to the Company's shares. These rights and restrictions apply equally to all shareholders. All shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the Company's articles of association. The Company's articles of association are governed by English law.

Limited purpose of this document

This document is not being issued for any purpose other than to make certain, required regulatory disclosures to investors and, to the fullest extent permitted under applicable law and regulations, the Company and its Directors will not be responsible to persons other than the Company's shareholders for their use of this document, nor will they be responsible to any person (including the Company's shareholders) for any use which they may make of this document other than to inform a decision to invest in shares in the Company.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to buy or sell, or otherwise undertake investment activity in relation to, the Company's shares.

This document is not a prospectus and it is not intended to be an invitation or inducement to any person to engage in any investment activity. This document may not include (and it is not intended to include) all the information which investors and their professional advisers may require for the purpose of making an informed decision in relation to an investment in the Company and its shares.

FUND
3.2.2R(3)

No advice

The Company and its directors (the "Directors") are not advising any person in relation to any investment or other transaction involving shares in the Company. Recipients must not treat the contents of this document or any subsequent communications from the Company, or any of its affiliates, officers, directors, employees or agents, as advice relating to financial, investment, taxation, accounting, legal, regulatory or any other matters. Prospective investors must rely on their own professional advisers, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment in shares.

Potential investors in the Company's shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

Overseas investors

The distribution of this document in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. The shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia or Japan. Accordingly, the shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia or Japan. The Company is not registered under the United States Investment Company Act of 1940 (as amended) and investors are not entitled to the benefits of such Act.

Prospective investors must inform themselves as to (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of shares.

Recognition and enforcement of foreign judgments

The process for recognition and enforcement of foreign judgments by the English courts is dependent upon the jurisdiction in which the original judgment is made. Judgments obtained in the courts of any member state of the European Union are generally subject to the principle of mutual recognition and enforcement in accordance with the provisions of the Brussels I Regulation (Council Regulation (EC) No. 44/2001 on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters) and the Lugano Convention 2007. The enforcement of judgments of the courts of many other jurisdictions may be covered by the terms of the United Kingdom Administration of Justice Act 1920 and/or the Foreign Judgments (Reciprocal Enforcement) Act 1933 and if a country is not covered by any of these legislative schemes, fresh proceedings may be required before a foreign judgment can be enforced.

THE COMPANY	
Legal status and jurisdiction of the Company	
The Company is a public company limited by shares under the Companies Act with registered number 10755475. It is incorporated in England and Wales and has its registered office at Level 13 Broadgate Tower, 20 Primrose Street, London, EC2A 2EW.	
Articles of association	
The provisions of the Company's articles of association are binding on the Company and its shareholders. The articles of association set out the respective rights and restrictions attaching to the Company's shares. These rights and restrictions apply equally to all shareholders. All shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the Company's articles of association. The Company's articles of association are governed by English law.	
Investment Objective & Policy	
<i>Investment objective</i>	AIFMD
The objective of the Company is to provide shareholders with long term capital growth.	23(1)(a)
<i>Investment policy</i>	FUND
<p>The Company seeks to achieve its investment objective by investing in a diversified portfolio of Small Cap Companies. The Company's portfolio will consist primarily of companies that are incorporated or listed in emerging markets or listed on developed market exchanges where a majority of their activities take place in emerging markets. The Company will invest across a range of sectors. Small Cap Companies are defined as those with a market capitalisation of less than USD 2.5 billion at the time of investment. The Company may only invest in unlisted companies where it is reasonably expected that such companies will be listed within 12 months from the time of investment. The aggregate value of all investments in unlisted companies (based on the original book cost of each investment) shall be limited to 15 per cent. of the net assets of the Company at the time of investment.</p> <p>The Company's portfolio is expected to be concentrated as the number of investments in the portfolio will typically range between 30 and 50 holdings in normal market circumstances. It is intended that a diversified portfolio will be maintained at all times, and the single largest investment will not exceed 15 per cent. of the net assets of the Company at the time of investment.</p> <p>The Company has not set any maximum or minimum exposures for any geographical regions or sectors and will achieve an appropriate spread of risk by investing in a diversified portfolio of equity and equity related securities issued by Small Cap Companies including, for example (but without limitation) ordinary, preference, non-voting and convertible securities and warrants. However, the Company's exposure to warrants will not exceed 5 per cent. of the Company's net assets at the time of investment and the Company will not hold warrants if their exercise would breach any other limits set out in this investment policy. The Company will not participate in any stocklending or short selling of securities. Other than warrants, derivatives may only be used for the purpose of efficient portfolio management and with the prior approval of the Board.</p> <p>Cash can be held for working capital purposes and while awaiting investment. It can be invested in cash deposits, gilts and money market securities, fixed interest securities and money market funds.</p>	3.2.2R(1)(a)(d)(f)

<p>The Company may borrow money for investment purposes if the Board considers it appropriate. Borrowings are limited to a maximum of 20 per cent. of the Company's net assets at the time of drawdown.</p> <p>Any material change to the Company's investment policy will require the approval of shareholders at a general meeting. In the event of a breach of the Company's investment policy, the Board will announce through a Regulatory Information Service the actions which will be taken to rectify the breach.</p>	
<p>Investment restrictions</p>	FUND 3.2.2 (f)
<p><i>Investment Restrictions</i></p> <p>The Company's investment activities are subject to the limitations and restrictions set out in the Investment Policy (see above).</p>	
<p>Investment strategy and investment techniques</p>	
<p>The Company's most recent annual report (or prospectus, where applicable), which is available from its website, www.scotgems.com, sets out the investment strategy and techniques currently applied in managing the Company's portfolio.</p>	FUND 3.2.2R(1)(a)(e)
<p>How the Company may change its investment policy or investment strategy</p> <p>As a closed-ended investment fund whose shares are admitted to the Official List under Chapter 15 of the Listing Rules, the Company is required to obtain the prior approval of the shareholders to any material change to its published investment policy. Accordingly, the Company will not make any material change to its published investment policy without the approval of its shareholders by ordinary resolution. The Company will announce any such change through a Regulatory Information Service. The Company's published investment policy is set out in the section entitled 'Investment policy' above.</p> <p>Any change in investment strategy or investment policy which does not amount to a material change to the published investment policy may be made by the Company without shareholder approval.</p>	FUND 3.2.2R(2)
<p>Leverage</p>	
<p><i>Circumstances in which leverage may be used</i></p> <p>The Company has the power under its Articles to borrow money. The Company does not currently intend to use gearing, however, with the objective of enhancing capital returns to shareholders, the Directors will consider the use of long term borrowings for investment purposes up to a limit of 20 per cent of the net assets of the Company at the time of borrowing.</p>	FUND 3.2.2R(1)(g) FUND 3.2.2R(1)(i)
<p><i>Types and sources of leverage permitted and risks</i></p> <p>Leverage may be used in the form of borrowing up to 20 per cent of the net assets of the Company, however, the Company does not currently intend to use gearing. However, if the Board did decide to utilise gearing for investment purposes, it would be restricted to a maximum of 20 per cent. of the Company's net assets at the time of drawdown.</p> <p>As noted above, the Company may use borrowings for investment purposes although it has no current intention to do so. Such borrowing would enhance the total return on the shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, but it would have the opposite effect where the underlying return is falling or the return is less than the cost of borrowing, further reducing the total return on</p>	FUND 3.2.2R(1)(h)

the shares. As a result, the use of borrowings by the Company would increase the volatility of the net asset value per share if it were to be employed in the future.

As a consequence of its investments in small cap companies, the Company may be exposed to gearing through the borrowings from time to time of these other investee companies. The impact of the foregoing may be aggravated where the currency in which the borrowing is denominated fluctuates significantly and, as a result, the Company's performance may be significantly impacted.

FUND 3.2.2R(1)(e)

Movements in interest rates, to the extent that they affect the fair value of the Company's fixed rate borrowings, may also affect the amount by which the Company's share price is at a discount or a premium to the net asset value (assuming that the Company's share price is unaffected by movements in interest rates).

The Company typically invests in smaller company shares which can be more unpredictable and more difficult to sell than those of larger company shares.

Restrictions on the use of leverage

FUND 3.2.2R (i)

The Company's Investment Manager must adhere to the borrowing limits set out in this document.

The maximum amount of leverage which the AIFM is entitled to employ on behalf of the Company

FUND 3.2.2R(1)(j)

The AIFM has set a maximum AIFMD leverage limit of 200% but will adhere to the limitations on borrowing as agreed by the Directors.

This maximum level has been set by the AIFM in consultation with the Directors, in accordance with the AIFMD. In accordance with the investment management agreement, any changes to these limits will be agreed in advance between the AIFM and the Company.

Periodic disclosure of information in relation to leverage

FUND 3.2.2R(17)

The Company will disclose on its website at the same time as it makes its annual report and accounts available to investors or more frequently at its discretion, the following:

- any changes to the maximum level of leverage that the AIFM may employ on behalf of the Company;
- any changes to the right of reuse of collateral or any guarantee granted under the leveraging arrangements; and
- the total amount of leverage employed by the Company.

3.2.2R(17)
3.2.6R(1)(a)

3.2.2R(17)
3.2.6R(1)(b)

3.2.2R(17)
3.2.6R(2)

ADMINISTRATION AND MANAGEMENT OF THE COMPANY

The AIFM

The AIFM is First State Investments (UK) Limited (the "AIFM"), a private limited company incorporated in England with registered number 002294743, whose registered office is at 3rd Floor, 30 Cannon Street, London EC4M 6YQ.

3.2.2.R (4)

The AIFM has been authorised by the FCA to act as an alternative investment fund manager pursuant to the AIFMD and has been designated by the Company, under the terms of the investment agreement, to perform the investment management function in respect of the Company which includes portfolio management and risk management.

The AIFM is also responsible for ensuring compliance with the AIFMD. As described elsewhere in this document, the AIFM has delegated certain functions with respect to its duties to third parties in accordance with the delegation requirements of AIFMD. In particular, the AIFM has delegated certain portfolio management functions to the Investment Manager, as described below. Notwithstanding any delegation the AIFM shall remain liable to the Company for the proper performance of the portfolio management, risk management and valuation. The Investment Manager will be responsible to the AIFM in regard to the management of the investments of the assets of each Fund in accordance with its investment objectives and policies, subject always to the supervision and direction of the AIFM.

Delegated management functions

The AIFM has delegated the day to day management of the Company's portfolio of assets to First State Investments International Limited (the "Investment Manager"). The Investment Manager uses the trading name Stewart Investors. The Investment Manager will be responsible to the AIFM in regard to the management of the investment of the assets of the Company in accordance with its investment objectives and policies, subject always to the supervision and direction of the AIFM.

FUND 3.2.2R(6)(a)

Stewart Investors is also used as the trading name for business divisions of companies within a business division within First State Investments including the Investment Manager and the AIFM. First State Investments forms part of the First Sentier Investors group which is ultimately owned by Mitsubishi UFJ Financial Group, Inc..

Fees

The AIFM is entitled to a base fee of 1% per annum of the AIF's net assets payable quarterly in arrears.

The Depositary

J.P. Morgan Europe Limited has been appointed as the Company's Depositary, as required under AIFMD. The Depositary holds or arranges for sub-custodians to hold, all of the cash, securities and other assets of the Company and arranges and settles (directly or through sub-custodians) all transactions relating to those assets on behalf of the Company.

FUND 3.2.2R(4)

Under the terms of the depositary agreement between the Company, the Depositary and the AIFM, the Depositary is permitted to procure that JPMorgan Chase Bank National Association, London branch ("JPMCB") or another custodial delegate hold the Company's financial instruments in custody on the Depositary's behalf.

<p>The Company, the Depositary and JPMCB have entered into a global custody agreement under which the Depositary has delegated custody of the Company's financial instruments to JPMCB. JPMCB has the authority to sub-delegate the custody of the Company's financial instruments provided that JPMCB must comply with the same requirements that would apply in the context of a delegation by the Depositary.</p> <p>The Depositary has not entered into any contractual arrangement to discharge itself of liability in accordance with Article 21(13) and 21(14) of the AIFMD and, therefore, the Depositary's liability is not be affected by the delegation of its safe-keeping function as outlined above.</p> <p>Fees</p> <p>The annual fee payable to the Depositary is determined by the value of the Company's assets. The Depositary shall also be entitled to receive transaction and custody charges in relation to the transaction handling and safekeeping of the Company's Property ("Transaction Charges" and "Custody Charges" respectively). Transaction Charges are for the underlying securities traded in local market exchanges. Custody Charges are for the asset value under administration in each securities market.</p> <p>The Company's annual report (or prospectus where applicable) will detail the fees payable to the Depositary.</p>	FUND 3.2.2R(6)(b)
<p>The Auditor</p> <p>Ernst & Young LLP has been appointed as the auditor of the Company. The auditor's responsibility is to audit and report on the Company's financial statements in accordance with applicable law and auditing standards for all accounting periods during its appointment.</p> <p>The fees charged by the Auditors are computed, <i>inter alia</i>, on the time spent by the Auditors on the affairs of the Company.</p>	FUND 3.2.2R(4)
<p>The Registrar</p> <p>The registrar to the Company is Computershare Investor Services PLC, a public limited company incorporated in England and Wales with registered number 03498808, whose registered office is at The Pavilions, Bridgwater Road, Bristol BS13 8AE.</p> <p>The duties of the registrar include:</p> <ul style="list-style-type: none"> • maintenance of the register of shareholders; • certifying and registering transfers; • dealing with routine correspondence from shareholders, the United Kingdom Listing Authority, CRESTCo and the Registrar of Companies; and • maintaining dividend mandates and shareholder legal documentation. <p>The fees charged by the Registrar are based on the number of shareholders on the register of members and the number of transfers that take place among other factors.</p>	
<p>Conflicts of interest that may arise from the delegation of functions by the AIFM</p> <p>The Depositary, the Administrator (as defined below), the AIFM and the Investment Manager may from time to time act as manager, administrator, custodian, alternative investment fund manager, investment manager or adviser or distributor in relation to, or</p>	FUND 3.2.2R(6)(d)

be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of the Company. It is, therefore, possible that any of them may, in the due course of their business, have potential conflicts of interests with the Company. Each will at all times have regard in such event to its obligations under the Memorandum and Articles of Association and/or any agreements to which it is party or by which it is bound in relation to the Company and, in particular, but without limitation, to its obligations to act in the best interests of the Shareholders when undertaking any investments where conflicts of interest may arise and they will each respectively endeavour to ensure that such conflicts are resolved fairly and, in particular, the Investment Manager has agreed to act in a manner which the Investment Manager in good faith considers fair and equitable in allocating investment opportunities to the Company.

There is no prohibition on dealing in assets of the Company by entities related to the Depositary, the AIFM or the Investment Manager provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length and in the best interests of the shareholders. Permitted transactions are subject to (a) a certified valuation of a transaction by a person approved by the Depositary (or in the case of transactions involving the Depositary the Directors) as independent and competent; (b) the execution of transactions on best terms on organised investment exchanges under their rules and, (c) where (a) and (b) are not practical, execution on terms the Depositary (or in the case of transactions involving the Depositary the Directors) is satisfied conform to the principles of normal commercial terms negotiated at arm's length and in the best interests of the shareholders.

Employees or officers of the AIFM, the Investment Manager or its affiliates may directly or indirectly acquire shares. Any acquisition or divestment of shares by such individuals shall be on terms which are no more favourable than those applying to all shareholders. The AIFM and Investment Manager will maintain internal procedures to ensure that the size and timing of any subscriptions or redemptions of shares by such individuals shall not conflict with any duties owed to Shareholders and the Company by the AIFM and Investment Manager or its affiliates or any employees or officers thereof.

The Company Secretary & Administrator

PATAC Limited (the "Administrator") provides company secretarial, accounting and administrative services.

The fee payable is linked to the level of assets under administration and shall be recalculated each year based on movements in the Consumer Price Index and the Retail Price Index.

Investor rights against third party service providers

The Company is reliant on the performance of third providers including those set out above. No Shareholder has any direct contractual claim against any service provider with respect to such service provider's default in providing its services to the Company. Any Shareholder who believes they may have a claim against any service provider in connection with their investment in the Company should consult their own independent legal adviser.

SHAREHOLDER INFORMATION	
<p>Annual Report and Accounts</p> <p>Once available, copies of the Company's latest annual and interim reports may be accessed at www.scotgems.com.</p>	FUND 3.2.2(14)
<p>Publication of net asset values</p> <p>The latest net asset value of the Company may be accessed at www.scotgems.com. The Company also publishes its net asset value on a daily basis via a Regulatory Information Service.</p>	FUND 3.2.2(13)
<p>Valuation Policy</p> <p>The net asset value of a Share will be calculated by the Administrator in accordance with the Company's accounting policies and the AIFM's valuation policy and published daily through a Regulatory Information Service. Where applicable, investments will be valued at the prevailing market price. Unlisted investments will be valued at book cost unless evidence exists to suggest fair value differs significantly from the book cost, in which case a fair value computation will be applied. Suspended or delisted investments will be valued at their last available price, unless advised by the First State Fair Value Pricing Committee, acting on behalf of the AIFM. Where such advice is provided, the FVP Committee will notify the Administrator and the Investment Manager, who will be obliged to notify the Chairman of the Board if they do not agree with this valuation. Any investments valued by the FVP Committee or any investments which are not valued per the standard pricing basis, will be highlighted in a schedule as part of the quarterly Board reporting.</p>	FUND 3.2.2R(7)
<p>Historical performance of the Company</p> <p>Details of the Company's historical financial performance are provided in the Company's annual reports and accounts and monthly factsheets, which are available at www.scotgems.com.</p> <p><i>Investors should note that past performance of the Company is not necessarily indicative of future performance. Investors may not get back the amount invested.</i></p>	FUND 3.2.2R(15)
<p>Purchases and sales of shares by investors</p> <p>From launch, the Company's shares are admitted to the Official List of the UKLA and to trading on the main market of the London Stock Exchange. Accordingly, the Company's shares may be purchased and sold on the main market of the London Stock Exchange subject to the terms of business of the investor's chosen purchase route.</p> <p>New shares may not currently be issued by the Company. The Company's shares are not redeemable. While the Company will typically have shareholder authority to buy back shares, shareholders do not have the right to have their shares purchased by the Company.</p>	FUND 3.2.2R(12)
<p>Fair treatment of investors</p> <p>The legal and regulatory regime to which the Company and the Directors are subject ensures the fair treatment of investors. The Listing Rules require that the Company treats all shareholders of the same class of shares equally.</p> <p>In particular, as directors of a company incorporated in the United Kingdom, the Directors have certain statutory duties under the Companies Act 2006 with which they must comply. These include a duty upon each Director to act in the way she or he considers,</p>	FUND 3.2.2R(10)

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.

FUND 3.2.2R(11)

The shares in the Company all rank *pari passu* with each other.

The Company will disclose on its website at the same time as it makes its annual report and accounts available to investors or more frequently at its discretion any information that it is required to in terms of FUND 3.2.5 and FUND 3.2.6.

RISK FACTORS	
<p>An investment in the Company carries a number of risks. The principal risks and uncertainties facing the business are as follows:</p> <ul style="list-style-type: none"> ▪ The Company is to invest in a concentrated portfolio of small cap companies worldwide. As a consequence, the Company's shares will be exposed to concentration risk, exchange rate fluctuations and the risks associated with less mature markets which may materially affect the financial condition of the Company. ▪ Changes in economic, political and social conditions and other factors can substantially and adversely affect the value of investments and therefore the Company's performance and prospects. ▪ The past performance of investments managed by the Investment Manager is not necessarily indicative of future performance. ▪ There is no guarantee that the Company's investment objective will be achieved or provide the long term capital growth sought by the Company. ▪ The Company intends to conduct its business so as to satisfy the conditions to retain approval as an investment trust under section 1158 of the Corporation Tax Act 2010. In respect of each accounting period for which approval is retained, the Company will be exempt from United Kingdom taxation on its capital gains. Breach of the requirements that a company must meet to retain approval as an investment trust company could lead to the Company being subject to tax on capital gains. ▪ As Small Cap Companies generally lack the diversity of income streams and financial resources of larger companies, they may find it more difficult to overcome periods of economic slowdown or recession. Their earnings also tend to be less predictable and the prices of smaller companies can be more volatile especially in an illiquid market. ▪ Investors should not expect that the Company will necessarily be able to realise, within a period which they would otherwise regard as reasonable, its investments in Small Cap Companies and any such realisations that may be achieved may be at a considerably lower price than prevailing indicative market prices which may lead to volatility in the market price of the Company's shares. ▪ As the Company's portfolio is intended to be concentrated, typically including 30 to 50 holdings, it is expected to be less diversified than other equity funds. This may lead to the Company having significant exposure to investee companies certain industry sectors and/or geographical locations from time to time. As a result, the Company's net asset value may be more vulnerable to changes in the market value of a single investee company and may be more 	<p>FUND 3.2.2R(1)(e)</p>

susceptible to adverse effects from any single industry, economic, market, political or regulatory occurrence than if the Company's portfolio consisted of securities issued by a larger number of investee companies.

- There are a number of risks inherent in investing in the manner contemplated by the Company's investment policy and strategy, namely in Small Cap Companies listed on stock markets across the world. Price movements of the underlying investments could be volatile and are affected by a wide variety of factors including changing supply and demand relationships, corporate mergers and acquisition activity, capital raisings and credit spread fluctuations, interest rate and exchange rate fluctuations, international events and government policies. These price movements could result in significant losses for the Company.
- The market value of, and any income derived from, the Shares can fluctuate and may not always reflect the Net Asset Value per Share.
- Although the Shares will be listed on the Official List and admitted to trading on the London Stock Exchange's Main Market, there may not be a liquid market in the Company's shares and shareholders may have difficulty selling them.
- The price of shares in an investment company is determined by the interaction of supply and demand for such shares in the market as well as the net asset value per share. The share price can therefore fluctuate and may represent a discount to the net asset value per share and shareholders may be unable to realise all or any of their investment through the secondary market at net asset value per share or at all.

There may be additional risks that the Directors which are not presently known to the Directors. These and other risks facing the Company will be reviewed regularly by the audit committee and the Directors.

Details of the Company's key risks will also be set out in the Company's annual report and accounts, which can be accessed at www.scotgems.com when published.

Potential investors should carefully consider all the risks set out in the prospectus and/or annual report, in addition to the risk factor noted above in relation to the Company and its shares, before deciding to invest in the Company.

RISK MANAGEMENT

Risk profile

As an investment trust, the Company invests in equities and other investments for the long term so as to secure its investment objective. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in a reduction in the Company's net assets and a reduction in the profits available for dividend.

FUND 3.2.2R (17),
3.2.5R (4) Level 2,
108 (4)

Level 2, 108(4)
and 39(1)(b)

<p>Risk management systems</p> <p>There is an independent Risk and Compliance function within the AIFM, this includes a dedicated Investment Compliance team who are responsible for ensuring that investment activity is monitored to ensure compliance with investment restrictions, guidelines and regulations.</p> <p>Stress testing is performed on a monthly basis or more frequently if required, for example, whenever a change in the value or the composition of the portfolio or a change in market conditions makes it likely that the test results will differ significantly.</p> <p>The Company will periodically disclose to investors the risk management systems which it employs to manage the risks which are most relevant to it. The Company will make this disclosure on its website at the same time as it makes its annual report and accounts available to investors or more frequently at its discretion.</p>	<p>FUND 3.2.2R(17), 3.2.5R(3)</p>
<p>Liquidity risk management</p> <p>The AIFM has a liquidity management policy in relation to the Company which is intended to ensure that the Company's investment portfolio maintains a level of liquidity which is appropriate to the Company's obligations. This policy involves an assessment by the AIFM of the prices or values at which it expects to be able to liquidate its assets over varying hypothetical periods in varying market conditions, taking into account the sensitivity of particular assets to particular market risks and other relevant factors.</p> <p>Shares in the Company are not redeemable and shareholders do not have the right to require their shares to be purchased by the Company. Accordingly, the liquidity management policy ensures that the Company's investment portfolio is sufficiently liquid to meet the following principal obligations:</p> <ul style="list-style-type: none"> • the Company's operating and financing expenses: in practice, these expenses are typically covered by dividends received from the Company's investments; and • the possible need to repay borrowings at short notice, which would require to be met by the sale of assets. <p>The liquidity management policy requires the AIFM to identify and monitor its investment in asset classes which are considered to be relatively illiquid.</p> <p>The liquidity management policy is reviewed and updated, as required, on at least an annual basis.</p> <p>Investors will be notified, by way of a disclosure on its website, in the event of any material changes being made to the liquidity management systems and procedures or where any new arrangements for managing the Company's liquidity are introduced.</p> <p>The Company will periodically disclose to investors the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature. The Company will make this disclosure on its website at the same time as it makes its annual report and accounts available to investors or more frequently at its discretion.</p>	<p>AIFMD 23(h) FUND 3.2.2R(8)</p> <p>FUND 3.2.2R(8)</p> <p>FUND 3.2.5(1)</p> <p>FUND 3.2.5(1)</p> <p>FUND 3.2.2R(17), 3.2.5R(2) Level 2, 108(3)</p> <p>FUND 3.2.2R(1)(17) FUND 3.2.5R(1) Level 2, 108(2)</p>
<p>Professional negligence liability risks</p> <p>The AIFM covers potential professional liability risks resulting from those activities the AIFM carries out pursuant to the AIFMD, as transposed by the AIFMD Regulations, by</p>	<p>FUND 3.2.2R(5)</p>

holding additional capital on its balance sheet as required by article 14 of the AIFMD level 2 regulations (additional own funds).

The AIFM also complies with the qualitative requirements addressing professional liability risks in article 13 of the AIFMD level 2 regulation (qualitative requirements addressing professional liability risks).

Brokerage practices and use of dealing commission

The Company does not employ a prime broker.

FUND
3.2.2R(16)(a)(b)(d)

The depositary agreement provides that neither the depositary nor its delegates shall reuse the Company's investments without the prior consent of the Company or of the AIFM acting on behalf of the Company.

The AIFM records the allocation of compensation paid to brokers for the execution services they provide. Details are available to any investor in the Company on request.

FUND
3.2.2R(16)(c)

AMENDMENT OF THIS DOCUMENT

The information contained within this document will be updated at least annually.

Any changes made to this document will be notified to investors by way of disclosure on the Company's website.