This document comprises a prospectus (the "**Prospectus**") relating to Finsbury Growth & Income Trust PLC (the "**Company**") prepared in accordance with the Prospectus Rules made under section 84 of the Financial Services and Markets Act 2000 ("**FSMA**") and made available to the public for the purposes of section 85 of FSMA. This Prospectus does not contain or constitute an offer to sell or issue Ordinary Shares or the solicitation of an offer to buy or subscribe for Ordinary Shares. This Prospectus has been approved by and filed with the Financial Conduct Authority in accordance with the Prospectus Rules.

Potential investors are recommended to seek advice from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under FSMA before investing in the Company. Potential investors should also consider the risk factors relating to the Company set out at pages 11 to 13 of this Prospectus.

The Company, whose registered office appears on page 38 of this Prospectus, and the Directors, whose names appear on page 28 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omissions likely to affect the import of such information.

Application will be made in due course to the Financial Conduct Authority for any Ordinary Shares issued pursuant to this Prospectus to be admitted to the Official List. Application will also be made to the London Stock Exchange for all such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. The International Security Identification Number (ISIN) for the existing shares and any Ordinary Shares admitted to listing and trading is: GB0007816068.

FINSBURY GROWTH & INCOME TRUST PLC

*(incorporated and registered in Scotland with registered number SC013958, an investment company under section 833 of the Companies Act 2006 (the "**Act**"))*

Prospectus relating to the Placing Programme of up to 60,000,000 Ordinary Shares of 25p each

Sponsor	*Portfolio Manager*
Winterflood Securities Limited	**Lindsell Train Limited**

Winterflood Securities Limited, which is authorised and regulated by the Financial Conduct Authority, is acting through its division Winterflood Investment Trusts for the Company in connection with the issue of Ordinary Shares as described in this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Winterflood Securities Limited or for advising any such person in connection with the issue of Ordinary Shares as described in this Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Winterflood Securities Limited by FSMA or the regulatory regime established thereunder, Winterflood Securities Limited does not accept any 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 Ordinary Shares or the Placing Programme. Winterflood Securities Limited 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 document or any such statement.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. No action has been taken by the Company or Winterflood Securities Limited that would permit an offer of the Ordinary Shares or possession or distribution of this Prospectus or any other offering or publicity material in any jurisdiction where action for that purpose is required, other than in the United Kingdom. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Ordinary Shares described in this Prospectus have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or the securities laws of any states of the United States or under any of the relevant securities laws of Canada, Australia, the Republic of South Africa or Japan or their respective territories or possessions. Accordingly, the Ordinary Shares may not (unless an exemption from such legislation or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, the Republic of South Africa or Japan or their respective territories or possessions. The Company will not be registered under the United States Investment Company Act 1940 (as amended) and investors will not be entitled to the benefits of such legislation. Persons resident in territories other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to apply for, acquire, hold or dispose of Ordinary Shares.

In particular, the attention of persons resident in the United States, Canada, Australia, the Republic of South Africa or Japan is drawn to paragraph 21 of Part 8 of this Prospectus. This Prospectus does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful.

The Company will not pay commission to third parties that advise investors to subscribe for Ordinary Shares. In relation to the Placing Programme, the Ordinary Shares will be issued to placees at the Placing Price and no commission will be paid to any third parties that advise investors in respect of such issues under the Placing Programme.

This document has been approved by the FCA as a prospectus which may be used to offer securities to the public for the purposes of section 85 FSMA and Directive 2003/7/EC. No arrangement has however been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdictions.

15 December 2015

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SUMMARY

Summaries are made up of disclosure requirements known as "**Elements**". These elements are numbered in sections A–E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for Ordinary Shares and the Company. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

It is possible that no relevant information can be given regarding a required Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and warnings

Element	Disclosure requirement	Disclosure
A.1	**Introduction and warning**	This summary should be read as an introduction to the Prospectus. Any decision to invest in the Ordinary Shares should be based on consideration of the Prospectus as a whole. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation of the summary but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in Ordinary Shares.
A.2	**Consent to use Prospectus in respect of Placing Programme**	Not applicable.

Section B – Issuer

Element	Disclosure requirement	Disclosure
B.1	**Legal and commercial name**	Finsbury Growth & Income Trust PLC
B.2	**Domicile, legal form, legislation and country of incorporation**	The Company is a public company limited by shares, incorporated in Scotland under the Act and domiciled in the United Kingdom.
B.5	**Group Structure**	Not applicable; the Company is not part of a group.

B.6 — **Notifiable interests, different voting rights and controlling interests**

The interests (all of which are or will be beneficial unless otherwise stated) of the Directors in the share capital of the Company are currently as follows:

	Ordinary Shares	*per cent. of issued Share Capital*
Anthony Townsend	179,468	0.14
John Allard	41,417	0.03
Neil Collins	48,842	0.04
Simon Hayes	10,000	0.01
David Hunt	32,000	0.03
Vanessa Renwick	42,657	0.03

As at the close of business on 11 December 2015, being the latest practicable date prior to the publication of this Prospectus, in addition to those persons described above, the Company is aware of the following persons who will be interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company immediately following the proposals described in this Prospectus:

Shareholder	*Registered Holder(s) Nominees*	*Number of shares*	*% of issued share capital*
Hargreaves Lansdown	Various Nominee Accounts	11,880,947	9.42
Alliance Trust Savings	Alliance Trust Savings Nominees	11,767,581	9.33
Brewin Dolphin	Various Nominee Accounts	11,431,140	9.14
Investec Wealth & Investment	Various Nominee Accounts	8,484,046	6.72
Rathbones	Various Nominee Accounts	6,788,283	5.38
Charles Stanley	Rock Nominees	4,590,725	3.64
Aberdeen Asset Management	Various Nominee Accounts	4,463,053	3.54
Brewin Dolphin (ND)	Various Nominee Accounts	3,976,885	3.15

None of the Company's shareholders have different voting rights, nor is the Company directly or indirectly owned or controlled by any person.

B.7 — **Historical financial information**

The table below sets out the summary financial information of the Company for the three years ended 30 September 2015. The information has been prepared in accordance with UK GAAP and SORP.

The key audited figures that summarise the Company's financial conditions in respect of the three financial years ended 30 September 2015, which have been extracted from the published annual reports and accounts for the three financial years ended 30 September are set out in the following table:

	As at or for year ended 30 September		
	2013	*2014*	*2015*
Total net assets (£'000)	395,839	494,931	673,690
NAV per Share (pence)	476.1	507.7	556.9
Revenue			
Net return (£'000)	9,657	11,467	14,683
Return per Share (pence)	12.7	12.6	13.5
Dividend per Share (pence)	10.5	11.3	12.1
Total			
Return attributable to Shareholders (£'000)	85,207	36,074	59,007
Return per Share (pence)	112.1	39.6	54.3

There has been no significant change in the financial condition and operating results of the Company during or subsequent to the period covered by the historical key financial information.

B.8	**Pro forma financial information**	Not applicable; this Prospectus does not contain pro forma financial information.
B.9	**Profit forecasts**	Not applicable; this Prospectus does not contain profit forecasts or estimates.
B.10	**Qualifications in the audit report**	Not applicable; the audit reports on the historical financial information contained in this Prospectus do not contain any qualifications
B.11	**Working capital explanation**	Not applicable; the Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements (that is, for at least the next twelve months from the date of this Prospectus).
B.34	**Investment objective and policy**	The Company's investment objective is to achieve capital and income growth and to provide Shareholders with a total return in excess of that of the FTSE All-Share Index. The Company invests principally in the securities of UK listed companies, whilst up to a maximum of 20 per cent. of the Company's portfolio, at the time of acquisition, can be invested in quoted companies worldwide. Where possible, a minimum position size of 1 per cent. of the Company's gross assets is held unless the holding concerned is being built or disposed of.
B.35	**Borrowing limits**	The Company has the power to borrow money, subject to its gearing policy, which is that gearing will not exceed 25 per cent. of the Company's net assets.
B.36	**Regulatory status**	The Company is not regulated by the FCA or by any financial services or other regulator but, in common with other issuers listed on the Official List, is subject to the Listing Rules and the Disclosure and Transparency Rules made by the FCA and is bound to comply with applicable laws including the Act and FSMA.
B.37	**Investor profile**	The Company expects a typical investor in the Company will be professionally advised private investors, or institutional investors, seeking capital and income growth from a portfolio of securities of mainly UK listed companies. The Ordinary Shares may also be suitable for financially sophisticated non-advised private investors, but, such investors should consider consulting an independent financial adviser authorised under FSMA before investing.
B.38	**Significant exposure**	Not applicable.
B.39	**Significant exposure to other collective investment undertakings**	Not applicable.
B.40	**Service providers**	Alternative investment fund management, administrative, marketing and secretarial services are provided by Frostrow under the AIFM Agreement. The AIFM Agreement may be terminated by either party giving not less than 12 months' notice. A periodic fee is payable by the Company to Frostrow of 0.15 per cent. per annum of the adjusted market capitalisation of the Company (calculated in accordance with AIFM Agreement). The AIFM is also entitled to an annual fixed fee of £70,000 calculated and payable monthly in arrears. The Portfolio Manager is appointed to act as the discretionary portfolio manager to the Company.

		An annual fee is payable by the Company to the Portfolio Manager of 0.45 per cent. of the adjusted market capitalisation of the Company (calculated in accordance with the Portfolio Management Agreement). BNY Mellon Trust & Depositary (UK) Limited has been appointed as the Company's depositary in accordance with the AIFM Directive. The fees of the Depositary are payable by the Company exclusive of VAT monthly in arrears. The Depositary's periodic charge is calculated as a percentage of the Company's gross assets (2 basis points on the first £150 million of gross assets and 1.5 basis points on gross assets in excess of £150 million, subject to a minimum fee of £20,000 per annum).
B.41	**Service providers' regulatory status**	Frostrow is the AIFM and is regulated by the FCA under FSMA with firm reference number: 460360. Lindsell Train is the Portfolio Manager and is authorised and regulated by the FCA under FSMA with firm reference number: 194229. BNY Mellon Trust & Depositary (UK) Limited is the Depositary and is authorised and regulated by the FCA with firm reference number: 188432.
B.42	**Net asset value calculations**	The NAV of the Company is calculated on each Dealing Day. NAV calculations will be communicated via RIS announcements.
B.43	**Cross liabilities**	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	**Historical Financial Information/ Financial statements**	Not applicable. The Company has commenced operations and historical financial information is included within this document.

B.45	**Investments**	As at the close of business on 11 December 2015, the latest practicable date prior to the publication of this Prospectus, the Company's investments comprised:

Investment	*Book Cost £'000*	*Market Value £'000*	*Ordinary Shares held %*	*Earnings per share (p)*	*Dividend per share (p)*	*Dividend cover (times)*
A. G. Barr	3,279	22,703	3.72	26.0	12.0	2.2
Burberry Group	37,216	34,124	0.67	76.0	35.0	2.2
Celtic	1,894	2,257	3.37	0.0	0.0	–
Daily Mail & General Trust#	26,321	28,020	1.16	60.0	21.0	2.9
Diageo	46,626	62,758	0.14	95.0	56.0	1.7
Dr. Pepper Snapple	7,165	21,014	0.19	253.7	107.8	2.4
Euromoney Institutional Investor	4,279	8,536	0.72	83.0	23.0	3.6
Fidessa	13,361	22,670	3.07	77.0	38.0	2.0
Frostrow Capital LLP	495	1,420	–	NA	NA	NA
Fuller Smith & Turner	1,192	7,700	2.16	51.0	17.0	3.0
Greene King	9,467	16,824	0.60	41.0	30.0	1.4
Hargreaves Lansdown	28,302	52,361	0.78	33.0	22.0	1.5
Heineken	29,482	49,225	0.34	255.1	85.3	3.0
London Stock Exchange	16,392	41,795	0.48	38.0	10.0	3.8
Mondelez International	23,016	34,158	0.08	114.4	38.1	3.0
Pearson	36,609	25,040	0.43	58.0	51.0	1.1
Rathbone Brothers	12,814	26,860	2.54	76.0	52.0	1.5
RELX	47,719	65,185	0.51	43.0	26.0	1.7
Remy Cointreau	9,347	11,207	0.50	143.1	110.6	1.3
Sage Group	29,529	51,061	0.80	17.0	12.0	1.4
Schroders	26,095	38,570	0.63	153.0	78.0	2.0
The Kraft Heinz Company	3,933	11,452	0.02	141.3	147.9	1.0
The Lindsell Train Investment Trust plc	1,000	5,550	5.00	920.0	642.0	1.4
Thomson Reuters	3,830	10,180	0.05	155.1	86.8	1.8
Unilever	55,970	70,174	0.09	182.0	112.0	1.6
Young & Co's Brewery#	2,235	8,925	5.48	55.0	16.0	3.4
Preference shares	–	–				
Celtic 6% (cumulative convertible preference shares)	88	71	–			
	477,656	729,840				

non-voting

B.46	**Net asset value**	The NAV per Ordinary Share as at the close of business on 11 December 2015, which is the latest practicable date prior to the publication of this Prospectus, was 555.56 pence (ex income) and 556.66 pence (cum income).

Section C – Securities

C.1	**Description of securities**	The securities which the Company intends to issue are Ordinary Shares of the Company of 25p each, whose ISIN is GB0007816068.
C.2	**Currency of securities**	The Ordinary Shares are denominated in sterling and the issue price will be payable in sterling.
C.3	**Amount paid up and par value**	As at the close of business on 11 December 2015, the latest practicable date prior to publication of this Prospectus, the Company has 126,196,212 fully paid Ordinary Shares of 25p par value in issue. The Company has no partly paid Ordinary Shares in issue.

C.4	**Rights attaching to the Ordinary Shares**	Dividend rights: all Ordinary Shares are entitled to participate in dividends which the Company declares from time to time proportionate to the amounts paid or credited as paid on such Ordinary Shares. Rights as respect to capital: all Ordinary Shares are entitled to a distribution of capital in the same proportions as capital is attributable to them (including on a winding up). Voting rights: every Shareholder shall have one vote for each Ordinary Share held by it.
C.5	**Restrictions on free transferability of the Ordinary Shares**	The Directors can from time to time determine that the register of shares be suspended for a specified period not exceeding in whole thirty days in each year, provided that notice is given by advertisement in one national newspaper and such other newspaper, if any, as the Act (and other company legislation) requires. Where a registered holder in the Company fails to comply, within the specified period, with a notice given by the Directors under the Act (and other company legislation) requiring him or her to give particulars of any interest in any such shares, the Company may give that person a restriction notice, and in the event that the shares in respect of which such a notice has been issued represent 0.25 per cent. or more of the class of share concerned, the notice may direct that no transfer will be registered unless the registered holder or bearer of them is not himself or herself in default for the failure to supply information and that person satisfies the Directors that no person in default is interested in any of the shares in question.
C.6	**Admission**	Applications will be made from time to time to the UK Listing Authority and the London Stock Exchange for the Ordinary Shares to be issued pursuant to the Placing Programme to be admitted to the premium segment of the Official List (by way of a premium listing) under Chapter 15 of the Listing Rules and to trading on the London Stock Exchange's main market for listed securities.
C.7	**Dividend policy**	The Board's current policy is to pay two interim dividends in respect of the Company's financial year, typically in May and November. Future dividends paid by the Company will reflect the dividends earned on the Company's portfolio and, subject to unforeseen circumstances, the Board's objective is to maintain its progressive dividend policy over the long term.

Section D – Risks

D.1	**Key information on the key risks specific to the Company**	The attention of investors is drawn to the risks associated with an investment in the Company which, in particular, include the following: (a) The level of concentration of the Company's investment portfolio may lead to an investment return which is materially different from the Company's benchmark index and may be considered to carry above average risk. Further the investment portfolio includes investment in preference shares, which are illiquid and may be difficult to realise in the form of cash. (b) Movements in exchange rates could adversely affect the Company's financial performance. Currently certain of the Company's investments are not denominated in sterling. The return to Shareholders will be affected by changes in the value of sterling to those foreign currencies in which certain investments are held.

		(c) The volatility of the Net Asset Value per Ordinary Share may be further increased by the effect of borrowings on the Net Asset Value of the Ordinary Shares where the underlying Net Asset Value is falling. (d) The loss of the services of Nick Train, a director of Lindsell Train, could have an adverse effect on the Company's performance as the Company is substantially dependent on his services. (e) The Company currently qualifies as an Investment Trust (under Chapter 4 of Part 24 of the Corporation Tax Act 2010). Failure to qualify as such may lead to the Company being subject to corporation tax on its capital profits. (f) The Company borrows in sterling at floating rates of interest and is therefore exposed to the risk that its cashflow will change due to movements in prevailing interest rates.
D.3	**Key information on the key risks specific to the Ordinary Shares**	The attention of investors is drawn to the risks associated with an investment in the Ordinary Shares which, in particular, include the following: (a) As the price of shares in an investment trust is determined by the interaction of supply and demand for those shares in the market, the share price can fluctuate and may represent a discount to the Net Asset Value per Ordinary Share. (b) Conversely, the price of shares in an investment trust may represent a premium to the Net Asset Value per Ordinary Share, so that investors purchasing such shares in such circumstances may not realise the full extent of their purchase price in the event of winding up of the Company.

Section E – Offer

E.1	**Net proceeds and expenses**	Assuming that the Placing Programme is fully subscribed and a Placing Price of 561.50 pence per Ordinary Share (being the mid market price as at the latest practicable date prior to the publication of the Prospectus), the gross proceeds would be £336,900,000, the costs of the Placing Programme would be £108,000 and the net proceeds of the Placing Programme would be £336,792,000. Under the Placing Programme, each Ordinary Share is being made available to investors at a price calculated by reference to the higher of the estimated cum or ex income Net Asset Value of each existing Ordinary Share together with a premium intended to cover the costs and expenses of the Placing Programme (including, without limitation, any placing commissions). Assuming a NAV of 556.66 pence (being the cum income NAV at the latest practicable date prior to the publication of the Prospectus), the Placing Price would be 560.56 pence, and the premium borne by the investor would be 3.90 pence per Ordinary Share.
E.2a	**Use of proceeds**	The Company intends to issue up to 60,000,000 Ordinary Shares pursuant to the Placing Programme. The net proceeds of the Placing Programme will be invested by the Portfolio Manager on behalf of the Company in accordance with the Company's published investment policy. Assuming that the Placing Programme is fully subscribed and a Placing Price of 561.50 pence per Ordinary Share (being the mid market price as at the latest practicable date prior to the publication of the Prospectus), the gross proceeds would be £336,900,000, the costs of the Placing Programme would be £108,000 and the net proceeds of the Placing Programme would be £336,792,000.

E.3	**Terms and conditions of the Placing Programme**	The Placing Programme is for up to 60,000,000 Ordinary Shares, to be issued pursuant to the Placing Programme. Under the Placing Programme Ordinary Shares may be allotted at any time prior to the closing date of the Placing Programme. The Placing Price will be calculated by reference to the higher of the estimated cum or ex income Net Asset Value of each existing Ordinary Share together with a premium intended to cover the costs and expenses of the Placing (including, without limitation, any placing commissions). The allotment of Ordinary Shares under the Placing Programme is at the discretion of the Directors. The minimum subscription pursuant to the Placing Programme will be 25,000 shares or such lower amount as agreed by the Company from time to time. Each investor is required to undertake to make payment for Ordinary Shares issued to such investor in such manner as shall be directed by the Company or its agent. An investor applying for Ordinary Shares in the Placing Programme may elect to receive Ordinary Shares in uncertificated form, if such investor is a system-member in relation to CREST, or certificated form. Where applicable, definitive certificates in respect of the Ordinary Shares are expected to be dispatched by post to the relevant holders no later than ten Business Days after the relevant allotment date.
E.4	**Interests material to the Placing Programme**	Not applicable; there are no interests that are material to the Placing Programme.
E.5	**The offeror**	The Ordinary Shares are being offered by the Company.
E.6	**Dilution**	In the event that the Placing Programme is fully subscribed, an existing Shareholder holding shares representing 5 per cent. of the Company's issued Ordinary Share capital, who does not participate in the Placing Programme, would, following the completion of the Placing Programme, hold shares representing approximately 3.39 per cent. of the Company's issued Ordinary Share capital.
E.7	**Expenses**	The Placing Price will include a premium intended to cover the costs and expenses of the Placing Programme (including, without limitation, any placing commissions). Assuming a NAV of 556.66 pence (being the cum income NAV at the latest practicable date prior to the publication of the Prospectus), the Placing Price would be 560.56 pence, and the premium borne by the investor would be 3.90 pence per Ordinary Share.

PART 1:

RISK FACTORS

Existing and prospective investors should consider carefully the following risk factors in addition to the other information presented in this Prospectus. If any of the risks described below were to occur, it could have a material effect on the Company's business or financial condition or the results of its operations. Additional risks not currently known to the Company, or that the Company currently believes are not material, may also adversely affect its business, its financial condition and the results of its operations. The value of the Ordinary Shares could go down due to any of these risk factors, and investors could lose part or all of their investment.

1. The Company and the Ordinary Shares

The Company is an investment trust. Investment trusts aim to generate returns for Shareholders by investing in other companies. As an investment trust may invest in a range of different companies and sectors, it may represent a method for investors to gain a diversified investment exposure. However, prospective investors should be aware of certain factors which apply to the Company and to investment trusts generally.

The price of shares in an investment trust 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. This discount is itself variable as conditions for supply and demand change. This can mean that the Company's share price may go down as well as up and the share price can fall when the Net Asset Value per Share rises, or vice versa. There is no guarantee that the market price of the Ordinary Shares will fully reflect their underlying Net Asset Value.

The presence of competing investment products in the future may reduce demand for Ordinary Shares in the Company and hence reduce or eliminate the premium to Net Asset Value per Share at which the Ordinary Shares currently trade.

The Board has, since 2 April 2004, adopted an active discount management policy, buying back for cancellation or into treasury Ordinary Shares available in the market at discounts of at least 5 per cent. to the ex income Net Asset Value per Ordinary Share. However, the discount management policy is at the absolute discretion of the Board and there is no guarantee that any buybacks of Ordinary Shares will be made or that the policy will be successful.

The price of shares in an investment trust may also represent a premium to the net asset value per ordinary share. Investors purchasing Ordinary Shares at a premium to Net Asset Value per Ordinary Share may not, in the event of a winding up of the Company, realise the full extent of their purchase price. The Company usually issues Ordinary Shares with a view, *inter alia*, to limiting the premium to Net Asset Value per Ordinary Share at which the Ordinary Shares trade, but such issues are at the absolute discretion of the Board and there is no guarantee that Ordinary Shares, or Ordinary Shares in the market, will be available at prices close to Net Asset Value per Ordinary Share.

Market liquidity in the shares of investment trusts is frequently inferior to the market liquidity of shares issued by larger companies traded on the London Stock Exchange. Although it is expected that the Ordinary Shares will be traded on the London Stock Exchange's market for listed securities, it is possible that there may not be a liquid market in the Ordinary Shares and Shareholders may have difficulty in selling Ordinary Shares.

As past performance is not necessarily a guide to future performance and the value of an investment in the Company, and the income derived from it, if any, may go down as well as up, there can be no guarantee that the investment objectives of the Company will be met. Therefore investors may not get back the full value of their investment.

If under UK law there were to be a change to the basis on which dividends could be paid by companies, this could have a negative effect on the Company's ability to pay dividends.

2. Portfolio

The Company's investment portfolio typically comprises approximately 30 investments. As at 11 December 2015 the portfolio was made up of the securities of 25 issuers and 1 limited liability partnership interest. This level of concentration may lead to an investment return which is materially different from the Company's benchmark index and may be considered to carry above average risk.

The investment portfolio is mainly focussed on the financial services, consumer goods and services and technology sectors and the performance of the investment portfolio may therefore deliver a return which is materially different to that of the benchmark index, particularly if a specific event or events affects one or more of these sectors.

The investment portfolio includes investment in preference shares, which are illiquid and may be difficult to realise in the form of cash.

A proportion of the Company's portfolio may be held in cash from time to time. Such proportion of the Company's assets will be out of the market and will not benefit from positive stock market movements, if any.

Currently certain of the Company's investments are not denominated in sterling. Movements in exchange rates could adversely affect the Company's financial performance. The return to Shareholders will be affected by changes in the value of sterling to those foreign currencies in which certain investments are held.

3. Borrowings

Prospective investors should be aware that, whilst the use of borrowings should enhance the Net Asset Value of the Ordinary Shares where the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. This may further increase the volatility of the Net Asset Value per Ordinary Share.

4. Key Individuals

The Company is substantially dependent on the services of Nick Train, a director of the Portfolio Manager, for the implementation of the Company's investment policy. The loss of the services of Nick Train could have an adverse effect on the Company's performance.

5. Taxation

The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this Prospectus are those currently available and their value depends on the individual circumstances of investors.

Any change in the Company's tax status, including failure to satisfy the conditions to qualify as an investment trust under Chapter 4 of Part 24 Corporation Tax Act 2010, any change in taxation legislation or any change causing the Company to be treated as tax resident in a jurisdiction other than the United Kingdom could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders, or alter the post-tax returns to such shareholders.

6. Economic Conditions

Changes in economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors can substantially and adversely or favourably affect the Company's prospects and the value of the Company's portfolio.

7. Accounts

The Company currently prepares its accounts in accordance with UK GAAP and the SORP and intends to continue doing so. Both UK GAAP and the SORP are subject to change and this may have an effect

on the Company's calculation of NAV. Changes in the accounting policies of the Company could adversely affect Shareholders.

8. Operational and Regulatory Risk

Loss of Investment Trust status under the terms of section 1158 of the Corporation Tax Act 2010 may lead to the Company being subject to corporation tax on its capital profits. Control failures, either by the AIFM, the Portfolio Manager or any other of the Company's service providers, may result in operational and/or reputational problems, erroneous disclosures or loss of assets through fraud, as well as breaches of regulations.

The regulatory environment for investment funds and the managers of investment funds is evolving. Any change in the laws and regulations affecting the Company, or in the laws and regulations affecting companies or investment companies incorporated in Scotland generally or any change in the regulations affecting investment funds or investment fund managers generally may have a material adverse effect on the ability of the Company and the AIFM to carry on their respective businesses which in turn could have a material adverse effect on the Company's performance and returns to holders of Ordinary Shares.

9. Interest Rates

The Company borrows in sterling at floating rates of interest and hence is exposed to the risk that its cash flow will change due to movements in prevailing interest rates. The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis.

The Company also invests in fixed rate preference shares which are exposed to movements in their fair value arising from changes in interest rates.

PART 2:

IMPORTANT INFORMATION

Forward looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward looking statements include matters that are not historical facts and include statements regarding the Company's intentions, beliefs or current expectations.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, the facts described in the risk factors section of the document.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document reflect the Company's view with respect to future events as the date of this document and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's operations and strategy. Save as required by applicable law, or any UK or EU regulatory requirements (including FSMA, the AIFM Rules the Prospectus Rules, the Listing Rules and the Disclosure Rules) the Company is under no obligation publicly to release the results of any revisions to any forward-looking statements in this document that may occur due to any change in its exceptions or to reflect events or circumstances after the date of this document.

Given these uncertainties, investors and prospective investors are cautioned not to place any undue reliance on such forward looking statements and should carefully consider the "Risk Factors" section of this document for a discussion of additional factors that could cause the Company's actual results to differ materially before making any investment decision.

Notwithstanding the foregoing, nothing contained in this document shall in any way be taken to qualify the working capital statement contained in paragraph 19 of Part 8 of this document.

PART 3:

EXPECTED TIMETABLE AND STATISTICS

1. Expected Timetable of Principal Events

Placing Programme opens	15 December 2015
Placing Programme closes	14 December 2016

*All times and dates in the expected timetable and in this document may be adjusted by the Company. Any changes to the timetable will be notified by publication of a notice through a RIS.

2. Issue Statistics

Maximum size of the Placing Programme	60,000,000 Ordinary Shares
Placing Price	Not less than the higher of the estimated cum income Net Asset Value or ex income Net Asset Value per Ordinary Share at the time of allotment

ISIN Number: GB0007816068

SEDOL: 0781606

TICKER INFORMATION: FGT

PART 4:

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the expressions as set out below shall bear the following meanings:

2016 AGM	the annual general meeting of the Company to be held at 12 noon on Thursday, 4 February 2016;
Act	the Companies Act 2006, as amended from time to time;
Admission	admission of Ordinary Shares to listing on the Official List of the UKLA and to trading on the London Stock Exchange's market for listed securities;
AGM	an annual general meeting of the Company;
AIC Code	the AIC Code of Corporate Governance;
AIC Guide	the AIC Corporate Governance Guide for Investment Companies;
AIF	the meaning given in regulation 3 of the AIFM Regulations;
AIFM or **Frostrow**	Frostrow Capital LLP (a limited liability partnership incorporated in England and Wales under the Act with registered number OC323835);
AIFM Agreement	the agreement between the Company and the AIFM, a summary of which is set out in paragraph 12.1 of Part 8 of this Prospectus;
Alternative Investment Manager	the meaning given in regulation 4 of the AIFM Regulations;
AIFM Directive	the Alternative Investment Fund Managers Directive, 2011 61/EU;
AIFMD Capital Requirement	the capital requirements set out in the AIFM Rules from time to time;
AIFMD Priority Return	an amount payable half yearly at the rate of 9 per cent. per annum of the balance of capital contributions made to the AIFM from time to time by the Company in order for the AIFM to satisfy the AIFMD Capital Requirement;
AIFM Regulations	the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773);
AIFM Rules	the AIFM Directive and all applicable rules and regulations implementing the AIFM Directive in the UK, including without prejudice to the generality of the foregoing the AIFM Regulations and all relevant provisions of the FCA Handbook;
Articles or **Articles of Association**	the articles of association of the Company, a summary of which is set out in paragraph 4 of Part 8 of this Prospectus;
Audit Committee	the Company's audit committee as described in paragraph 18.4 of Part 6 of this Prospectus;

Auditor	PricewaterhouseCoopers LLP (a limited liability partnership incorporated in England and Wales with registered number OC303525);
Board or **Directors**	the directors of the Company whose names are set out in the paragraph headed "Directors" in Part 6 of this Prospectus;
Business Days	any day on which banks are open for business in Edinburgh and London (excluding Saturdays and Sundays);
Chairman	the chairman of the Board as elected from time to time;
Company	Finsbury Growth & Income Trust PLC;
Corporate Governance Code	the UK Corporate Governance Code published in September 2014;
CREST	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Regulations;
CRS	the common reporting standard developed by the OECD in respect of the automatic exchange of financial account information;
cum income NAV	NAV calculated on the total value of underlying assets, including accumulated or accrued income, less any liabilities;
Custodian	The Bank of New York Mellon SA/NV – London Branch;
Dealing Day	a day on which the London Stock Exchange is open for business;
Depositary	BNY Mellon Trust & Depositary (UK) Limited (a company incorporated in England and Wales with registered number 03588038);
Depositary Agreement	the agreement between the Company, Frostrow and the Depositary, a summary of which is set out in paragraph 12.3 of Part 8 of this Prospectus;
Disclosure and Transparency Rules	the Disclosure Rules and Transparency Rules made by the FCA under section 72 of FSMA;
ERISA	the United States Employee Retirement Income Security Act of 1974, as amended;
Euroclear	Euroclear UK & Ireland Limited (a company incorporated in England and Wales with registered number 02878738, being the operator of CREST);
ex income NAV	NAV calculated on the total value of underlying assets, excluding accumulated or accrued income, less any liabilities;
Facility Agreement	the senior secured multicurrency revolving facility agreement between the Company, Scotiabank Europe PLC (as original lender and separately as security agent) dated 9 October 2009 as amended, changed, modified or supplemented on 17 February 2010, 6 October 2012, 5 October 2011, 2 October 2013 and 21 July 2014;

FATCA	means: (a) sections 1471 to 1474 of the Tax Code or any associated regulations or other official guidance; (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction, in each case as amended, modified, extended, consolidated, re-enacted and/or replaced from time to time;
FCA	the Financial Conduct Authority and any successor thereto;
FCA Handbook	the FCA Handbook, as amended;
FSMA	Financial Services and Markets Act 2000;
FTSE 100	the share index of the 100 companies listed on the London Stock Exchange with the highest market capitalisation;
FTSE 350	the share index of the 350 companies listed on the London Stock Exchange with the highest market capitalisation;
FTSE All-Share Index	an index which shows the performance of the UK and European markets;
Fund	the portfolio of investments of the Company;
HMRC	Her Majesty's Revenue and Customs;
Investment Company Act	the United States Investment Company Act of 1940, as amended;
IRS	the US Internal Revenue Service;
ISA and **Junior ISA**	investment plan and child plan respectively for the purposes of Chapter 3 of Part 6 of the Income Tax (Trading and Other Income) Act 2005 and the Individual Savings Account Regulations 1998 (SI 1998/1870) (as amended);
LIBOR	the meaning given in the Facility Agreement;
Limited Liability Partnership Deed	the limited liability partnership deed relating to the AIFM between the Company and a number of other parties, a summary of which is set out in paragraph 12.4 of Part 8 of this Prospectus;
Listing Rules	the listing rules made by the FCA under section 73A of FSMA;
London Stock Exchange	London Stock Exchange plc (a company registered in England and Wales with registered number 2075721);
Management Engagement Committee	the management engagement committee of the Company as described in paragraph 18.5 of Part 6 of this Prospectus;

Net Asset Value or **NAV**	in relation to an Ordinary Share, its net asset value and in relation to the Company, the aggregate net asset value of the Ordinary Shares, calculated in accordance with the Company's normal reporting policies from time to time;
New Articles	the articles of association of the Company, which will be prepared for adoption at the 2016 AGM;
November General Meeting	the general meeting of the Company held on 12 November 2015;
OECD	the Organisation for Economic Co-Operation and Development;
Official List	the Official List maintained by the UK Listing Authority pursuant to Part VI of FSMA;
Ordinary Shares	ordinary shares of 25p each in the capital of the Company;
Panel	the Panel on Takeovers and Mergers;
Placing	a placing of Ordinary Shares made pursuant to the Placing Programme;
Placing Price	the price at which the Ordinary Shares will be issued to placees, being such price, not less than the higher of the prevailing estimated cum or ex income Net Asset Value per Ordinary Share, as shall be determined by the Directors in accordance with paragraph 6 of Part 5 of this Prospectus;
Placing Programme	the proposed programme of placings of up to 60,000,000 Ordinary Shares in aggregate, as described in this Prospectus;
Portfolio Management Agreement	the portfolio management agreement between the Company, the AIFM and the Portfolio Manager, a summary of which is set out in paragraph 12.2 of Part 8 of this Prospectus;
Portfolio Manager or **Lindsell Train**	Lindsell Train Limited (a company incorporated in England and Wales under the Act with registered number 03941727);
Prospectus	this Prospectus;
Prospectus Rules	the prospectus rules made by the UK Listing Authority under section 73A of FSMA;
Recognised Investment Exchange	an investment exchange in relation to which a recognition order of the FCA is in force;
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
RPI	the Retail Price Index;
RIS or **Regulatory Information Service**	a regulatory information service that is on the list of regulatory information services maintained by the FCA;
Securities Act	the United States Securities Act of 1933, as amended;
Senior Independent Director	the senior independent director of the Company as elected from time to time;
Shareholders	the holders of the Ordinary Shares;

SORP	Statement of Recommended Practice for Financial Statements of Investment Trust Companies issued by the Association of Investment Trust Companies;
Takeover Code	the City Code on Takeovers and Mergers, as amended from time to time;
Tax Code	the United States Internal Revenue Code of 1986, as amended;
UK-CDG Regulations	the International Tax Compliance (Crown Dependencies and Gibraltar) Regulations 2014;
UK FATCA Regulations	the International Tax Compliance (United States of America) Regulations 2014;
UK GAAP	UK generally accepted accounting practice;
UK or **United Kingdom**	the United Kingdom of Great Britain and Northern Ireland;
UKLA or **UK Listing Authority**	the FCA as the competent authority for listing in the United Kingdom;
United States or **U.S.**	the United States of America its possessions or territories, any state of the United States of America and the District of Columbia or any area subject to its jurisdiction or any political subdivision thereof;
U.S. Person	a U.S. person as defined by Regulation S of the Securities Act;
VAT	Value Added Tax; and
Winterflood	Winterflood Securities Limited acting through its division Winterflood Investment Trusts.

In this prospectus, unless otherwise specified, all references to sterling, pounds or £ are to United Kingdom pounds sterling and all references to "p" are to United Kingdom pence sterling.

PART 5:

THE PLACING PROGRAMME

1. Introduction

The Company may issue up to 60,000,000 Ordinary Shares pursuant to the Placing Programme. The Placing Programme is flexible and will have a number of closing dates in order to provide the Company with the ability to issue Ordinary Shares over a period of time. The Placing Programme is intended to partially satisfy market demand for the Ordinary Shares, to assist in managing any premium to NAV per Ordinary Share at which the Ordinary Shares trade and to raise further money for investment in accordance with the Company's investment policy.

2. Background to and reasons for the Placing Programme and issue of this Prospectus

During the year to 30 September 2015, the Ordinary Shares consistently traded close to the Net Asset Value per Ordinary Share, normally at a small premium, which indicates that there is reasonable demand for them in the market. In order to satisfy this demand, the Company issued 23,485,000 Ordinary Shares in the year ended 30 September 2015 and has issued a further 5,231,000 Ordinary Shares between 1 October 2015 and as at the close of business on 11 December 2015 (being the latest practicable date before the publication of this Prospectus). These Ordinary Shares were all issued at a premium to the higher of the estimated cum or ex income Net Asset Value per Share prevailing at the time of their issue. The placing programme described in the Company's prospectus dated 16 December 2014 will close on 15 December 2015. It is anticipated that the limit on the number of new Ordinary Shares that can be admitted to the Official List without the publication of a prospectus will be reached during the course of next year.

Despite regular issuance of Ordinary Shares, the Ordinary Shares continued to trade at an average premium to their Net Asset Value per Ordinary Share of 0.56 per cent. during the year ended 30 September 2015. As at the close of business on 11 December 2015 (being the latest practicable date before the publication of this Prospectus) the premium to the cum income Net Asset Value per Ordinary Share was 0.87 per cent. In the face of this continuing demand and having regard to the benefits of enlarging the Company, Shareholder authority to issue further Ordinary Shares on a non-pre-emptive basis was granted at the November General Meeting. In seeking such authorities the Directors took and will take into account relevant factors, including the desirability of limiting the premium to Net Asset Value at which the Ordinary Shares trade in order to ensure that long term Shareholders who regularly acquire Ordinary Shares and new investors who acquire Ordinary Shares are not disadvantaged.

3. Benefits of the Placing Programme

The Directors believe that the issue of Ordinary Shares pursuant to the Placing Programme should yield the following principal benefits:

(a) maintain the Company's ability to issue Ordinary Shares, so as to better fulfil excess demand in the market in order to help to manage the premium at which the Ordinary Shares trade to NAV per Ordinary Share;

(b) provide a small enhancement to the NAV per Ordinary Share of existing Ordinary Shares through new share issuance at a premium to the higher of the estimated cum or ex income NAV per Ordinary Share;

(c) grow the Company, thereby spreading operating costs over a larger capital base which should reduce the ongoing charges ratio; and

(d) improve liquidity in the market for the Company's Ordinary Shares.

The Directors have considered and will consider the potential impact of the Placing Programme on the payment of dividends to Shareholders and intend to ensure that it will not result in any material dilution of the dividends per Ordinary Share that the Company may be able to pay. In the event that the Placing Programme is fully subscribed, an existing Shareholder holding shares representing 5 per cent. of the Company's issued Ordinary Share capital, who does not participate in the Placing Programme, would, following the completion of the Placing Programme, hold shares representing approximately 3.39 per cent. of the Company's issued Ordinary Share capital.

4. The Placing Programme

The Placing Programme will open on 15 December 2015 and will close on the date on which this Prospectus ceases to remain valid, which is expected to be a date twelve months from the date of this Prospectus. The maximum number of Ordinary Shares to be issued pursuant to the Placing Programme is 60,000,000. Such Ordinary Shares will, subject to the Company's decision to proceed with an allotment at any given time, be issued at the Placing Price to Winterflood or such other financial intermediaries as may be used by the Company from time to time. Winterflood or such other financial intermediaries as may be used by the Company from time to time will trade the Ordinary Shares in the secondary market. No Ordinary Shares will be issued at a discount to the Net Asset Value per Ordinary Share at the time of the relevant allotment. The Company will not issue any Ordinary Shares at a discount of 10 per cent. or more to the middle market price of the Ordinary Shares at the relevant time without further Shareholder approval.

The allotment of Ordinary Shares under the Placing Programme is at the discretion of the Directors. Allotments may take place at any time prior to the closing date of the Placing Programme subject to those Ordinary Shares being admitted on or before the closing date of the Placing Programme. An announcement of each allotment will be released through a RIS. It is anticipated that dealings in the Ordinary Shares will commence two Business Days after their allotment. Whilst it is expected that all Ordinary Shares allotted pursuant to the Placing Programme will be issued in uncertificated form, if any Ordinary Shares are issued in certificated form it is expected that share certificates will be despatched no later than ten Business Days after the relevant allotment date.

The minimum subscription pursuant to the Placing Programme will be 25,000 shares or such lower amount as agreed by the Company from time to time. There is no maximum subscription other than to the extent that the maximum number of Ordinary Shares that may be issued pursuant to the Placing Programme is 60,000,000.

The Placing Programme is not being underwritten and, as at the date of this Prospectus, the actual number of Ordinary Shares to be issued under the Placing Programme is not known. The number of Ordinary Shares available under the Placing Programme should not be taken as an indication of the number of Ordinary Shares finally to be issued.

So far as the Directors are aware as at the date of this document, no major Shareholders or Directors intend to make a commitment for Ordinary Shares under the Placing Programme.

Applications will be made to the UKLA for the Ordinary Shares issued pursuant to the Placing Programme to be admitted to the Official List and to the London Stock Exchange for such shares to be admitted to trading on its main market for listed securities. All Ordinary Shares issued pursuant to the Placing Programme will be allotted conditionally on such Admission occurring. The Prospectus has been published in order to obtain Admission to the Official List of any Ordinary Shares issued pursuant to the Placing Programme. This will include any Ordinary Shares issued under the Directors' existing authority to issue Ordinary Shares on a non-pre-emptive basis after the date of this Prospectus. Should the Board wish to issue Ordinary Shares in excess of the amount which it will then be authorised to allot, further authorities will be sought at an appropriate time by convening a general meeting of Shareholders for this purpose.

The Ordinary Shares issued pursuant to the Placing Programme will rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant Ordinary Shares).

The Placing Programme will be suspended at any time when the Company is unable to issue Ordinary Shares pursuant to the Placing Programme under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion.

5. Conditions

Each allotment of Ordinary Shares pursuant to the Placing Programme is conditional on:

(a) Shareholder authority for the disapplication of pre-emption rights in respect of the relevant allotment being in place;

(b) the Placing Price being determined by the Directors as described below; and

(c) Admission of the Ordinary Shares issued pursuant to such allotment.

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

6. Calculation of the Placing Price

The Placing Price will be calculated by reference to the higher of the estimated cum or ex income Net Asset Value of each existing Ordinary Share together with a premium intended to cover the costs and expenses of the Placing (including, without limitation, any placing commissions). The Directors will determine the Placing Price on the basis described above so as to cover the costs and expenses of the Placing and thereby avoid any dilution of the Net Asset Value of the existing Ordinary Shares held by Shareholders. Assuming a NAV of 556.66 pence (being the cum income NAV at the latest practicable date prior to the publication of the Prospectus), the Placing Price would be 560.56 pence, and the premium borne by the investor would be 3.90 pence per new Ordinary Share.

Where Ordinary Shares are issued, the total assets of the Company will increase by that number of Ordinary Shares multiplied by the relevant Placing Price, less the costs and expenses of the Placing. It is not expected that there will be any material impact on the earnings and Net Asset Value per Ordinary Share, as the net proceeds resulting from any issue are expected to be invested in investments consistent with the investment objective and policy of the Company and the Placing Price will always represent a modest premium to the higher of the then prevailing estimated cum or ex income Net Asset Value per Ordinary Share.

In the event that the Placing Programme is fully subscribed, an existing Shareholder holding shares representing 5 per cent. of the Company's issued Ordinary Share capital, who does not participate in the Placing Programme, would, following the completion of the Placing Programme, hold shares representing approximately 3.39 per cent. of the Company's issued Ordinary Share capital.

By way of illustration, had the Placing Programme been subscribed for in full on 30 September 2015 (being the date at which the audited financial information in Part 7 has been produced) and had all the Ordinary Shares been issued at the then cum income NAV per Ordinary Share of 556.9 pence plus a premium exactly sufficient to cover the costs of the issue (i.e. the net proceeds per Ordinary Share would be equal to the NAV per Ordinary Share), the assets of the Company would have increased by approximately £4.7 million.

Fractions of Ordinary Shares cannot be issued and placing consideration will be allocated accordingly.

7. Settlement

Payment for Ordinary Shares issued under the Placing Programme will be made through CREST or through Winterflood or such other financial intermediary as may be authorised by the Company to use this Prospectus from time to time, in any such case in accordance with settlement instructions to be notified to placees by Winterflood or such other financial intermediary as may be authorised by the Company to use this Prospectus from time to time. In the case of those subscribers not using CREST, monies received by Winterflood or such other financial intermediary as may be authorised by the Company to use this Prospectus from time to time 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.

8. Costs of the Placing Programme

The Company's fixed expenses in connection with the Placing Programme are estimated to amount to £108,000 (inclusive of VAT). Assuming that the Placing Programme is fully subscribed and a Placing Price of 561.50 pence per Ordinary Share (being the mid market price as at the latest practicable date prior to the publication of the Prospectus), the gross proceeds would be £336,900,000, the costs of the Placing Programme would be £108,000 and the net proceeds of the Placing Programme would be £336,792,000.

9. Net Asset Value

As at the close of business on 11 December 2015 (being the latest practicable date before the publication of this Prospectus), the unaudited Net Asset Value of the Company as a whole was £702.5 million and the unaudited cum income Net Asset Value per Ordinary Share was 556.66 pence and the unaudited ex income Net Asset Value per Ordinary Share was 555.56 pence.

10. Use of proceeds

The net proceeds of the Placing Programme will be invested by the Portfolio Manager on behalf of the Company in accordance with the Company's published investment policy.

11. Profile of typical investor

The typical investors for whom the Ordinary Shares are intended are professionally advised private investors, or institutional investors, seeking capital and income growth from a portfolio of securities of mainly UK listed companies. The Ordinary Shares may also be suitable for financially sophisticated non-advised private investors who are capable of evaluating the risks and merits of an investment in the Company and who have sufficient resources to bear any loss that may result from such an investment. However, such investors should consider consulting an independent financial adviser authorised under FSMA before investing.

PART 6:

THE COMPANY

1. Introduction

Finsbury Growth & Income Trust PLC is a public company limited by shares incorporated in 1926 in Scotland under the Act and domiciled in the United Kingdom. Ordinary Shares of the Company are admitted to the Official List and to trading on the London Stock Exchange.

As at 11 December 2015, the Company had 126,196,212 Ordinary Shares in issue. In order to enable the Company to continue to seek Admission of further Ordinary Shares, in response to market demand, while remaining compliant with the Prospectus Rules, the Company is publishing this Prospectus. This Prospectus does not contain or constitute an offer to the public of Ordinary Shares or the solicitation of an offer to buy or subscribe for Ordinary Shares.

2. Investment Policy and Objective

The Company's investment objective is to achieve capital and income growth and to provide Shareholders with a total return in excess of that of the FTSE All-Share Index.

The Company invests principally in the securities of UK quoted companies, although up to a maximum of 20 per cent. of the Company's portfolio, at the time of acquisition, can be invested in quoted companies worldwide. Where possible, a minimum position size of 1 per cent. of the Company's gross assets is held unless the holding concerned is being built or disposed of.

The Company does not and will not invest more than 15 per cent., in aggregate, of the value of the gross assets of the Company in other closed ended investment companies (including investment trusts) listed on the London Stock Exchange.

Further, the Company does not and will not invest more than 10 per cent., in aggregate, of the value of its gross assets in other closed ended investment companies (including investment trusts) listed on the London Stock Exchange, except where the investment companies themselves have stated investment policies to invest no more than 15 per cent. of their gross assets in other closed ended investment companies (including investment trusts) listed on the London Stock Exchange.

No investment will be made in any company or fund where Lindsell Train acts as the investment manager without the prior approval of the Board.

The Company's gearing policy is that gearing will not exceed 25 per cent. of the Company's net assets. In normal market conditions it is expected that the level of gearing will be between 5 per cent. and 25 per cent. of the Company's net assets.

The Company has the ability to invest a proportion (up to 25 per cent. of its gross assets) in preference shares, bonds and other debt instruments, although no more than 10 per cent. of any one issue may be held. In addition, a maximum of 10 per cent. of the Company's gross assets can be held in cash, where the Portfolio Manager believes market or economic conditions make equity investment unattractive or while seeking appropriate investment opportunities or to maintain liquidity.

Whilst performance is measured against the FTSE All-Share Index, the Company's portfolio is constructed and managed without reference to a stock market index, investments being selected only after extensive research by the Portfolio Manager. The Portfolio Manager uses a bottom-up stock picking approach and looks to invest in a universe of excellent UK listed businesses that appear undervalued.

In accordance with the Listing Rules, the Company can only make a material change to its investment policies with the approval of its Shareholders.

3. Investment Process

The investment process adopted by Lindsell Train, the Company's portfolio manager, is underpinned by a focus on long term investments and total return as a prerequisite for stock selection.

The process seeks to add value by establishing large holdings in a limited number of predominantly UK companies – the Company's portfolio normally comprises approximately 30 investments – and then maintaining these positions for long periods. However, the Company will sell the holdings when appropriate. The characteristics sought in portfolio companies are:

– durability: companies that can prosper through business cycles for many years to come;

– high return on equity: companies with the ability to grow earnings on a consistent basis are favoured over those with rapid short term growth, but uncertain long term prospects; and

– low capital intensity/high free cash flow generation: companies that do not have to make heavy balance sheet investment to generate earnings growth.

The key stage of the investment process is to identify companies that meet these criteria and Lindsell Train concentrates on areas where it believes it has a competitive advantage in identifying quality business, for example branded consumer goods, media and retail financial services.

4. Investment Portfolio

The portfolio will normally comprise approximately 30 investments. Unless driven by market movements, securities in FTSE 100 companies and comparable companies listed on an overseas stock exchange will normally represent between 50 per cent., and 100 per cent., of the portfolio; securities in FTSE 350 companies and comparable companies listed on overseas stock exchanges will normally represent at least 70 per cent. of the portfolio.

As at the date of the Prospectus, the investments of the Company and the sectoral portfolio allocation were:

Investment	*Business Sector*	*Country*	*Percentage of Company's Investments*
Equities			
A. G. Barr	Consumer Goods	United Kingdom	3.1
Burberry Group	Consumer Goods	United Kingdom	4.7
Celtic	Consumer Services	United Kingdom	0.3
Daily Mail & General Trust#	Consumer Services	United Kingdom	3.8
Diageo	Consumer Goods	United Kingdom	8.6
Dr. Pepper Snapple	Consumer Goods	United States	2.9
Euromoney Institutional Investor	Consumer Services	United Kingdom	1.2
Fidessa	Information Technology	United Kingdom	3.1
Frostrow Capital LLP+	Financials	United Kingdom	0.2
Fuller Smith & Turner	Consumer Services	United Kingdom	1.1
Greene King	Consumer Services	United Kingdom	2.3
Hargreaves Lansdown	Financials	United Kingdom	7.2
Heineken	Consumer Goods	Netherlands	6.7
London Stock Exchange	Financials	United Kingdom	5.7
Mondelez International	Consumer Goods	United States	4.7
Pearson	Consumer Services	United Kingdom	3.4
Rathbone Brothers	Financials	United Kingdom	3.7
RELX	Consumer Services	United Kingdom	8.9
Remy Cointreau	Consumer Goods	France	1.5
Sage Group	Information Technology	United Kingdom	7.0
Schroders	Financials	United Kingdom	5.3
The Kraft Heinz Company	Consumer Goods	United States	1.6
Lindsell Train Investment Trust plc	Financials	United Kingdom	0.8
Thompson Reuters	Consumer Services	Canada	1.4
Unilever	Consumer Goods	United Kingdom	9.6
Young & Co.'s Brewery#	Consumer Services	United Kingdom	1.2
Preference shares			
Celtic 6 per cent (cum pref)	Consumer Services	United Kingdom	0.0
			100.0

All of the above investments are equities unless identified as set out below:

+ Unquoted limited liability partnership interest

non-voting

Sector	*Percentage of Company's investments*
Consumer Services	23.6
Consumer Goods	43.4
Financials	22.9
Information Technology	10.1
Preference shares	–
	100.0

The above information is sourced from the Company's management accounts and is unaudited. The valuation of the Company's investments is only accurate as at the close of business on 11 December 2015, the latest practicable date prior to the publication of the Prospectus. Further details of the Company's investments are set out in Part 8 of this Prospectus.

5. Investment Trends and Outlook

In respect of the year ended 30 September 2015, on a total return basis, the Company's NAV per Ordinary Share outperformed its benchmark, the FTSE All-Share Index.

The Company's investment strategy has continued to deliver good returns and during the year ended 30 September 2015 the Net Asset Value total return was 12.0 per cent. with the share price total return being 11.8 per cent. These returns compare to a total return from the Company's benchmark index of (2.3) per cent.

The investment strategy adopted by the Portfolio Manager has remained largely unchanged since its appointment in late 2000. The strategy adopted involves making long term commitments to a limited number (due to their scarcity) of exceptional companies. These companies own strong brands or business franchises. The Board is comfortable with the Portfolio Manager's strategy not to concentrate on macro-economic factors, as it believes that such concerns have little impact on the long term value of quality equity assets.

The Board believes that the Company's performance over the last 10 years (Net Asset total return of 189.8 per cent. compared to a total return from the Company's benchmark index of 72.3 per cent.) demonstrates that it is possible to achieve good performance through investing in UK equities without buying and selling portfolio securities on a short term basis. The Company continues to perform competitively because the Portfolio Manager concentrates on the strengths and weaknesses of individual companies, only investing in companies that it analyses to be good.

The Board believes that background market conditions are encouraging for equity investing. It believes that the following three macro facts are positive. First, that technology change is creating new industries, new companies and new opportunities for existing companies. Secondly, that the world's population continues to grow, and more people are being lifted out of poverty. Finally, that the risks to the real value of competing asset classes, namely government bonds and cash, mean that there is a compelling case to commit long term capital to stocks.

6. Performance

The Company's performance is measured against that of the FTSE All-Share Index. To 30 September 2015, the performance, in total return terms, was as follows:

	6 months %	*1 year* %	*3 years* %	*5 years* %
Company (NAV per Ordinary Share – total return)	(4.2)	12.0	61.3	106.8
FTSE All-Share Index (total return)	(7.2)	(2.3)	23.3	38.2

Source: Unaudited information from Morningstar.

7. Directors

The Directors, all of whom are non-executive and all of whom are independent of the Portfolio Manager, are responsible for the determination of the investment policy of the Company and the supervision of the implementation of such policy. The Board consists of:

Anthony Townsend *(Chairman)*

Anthony Townsend, aged 67, rejoined the Board in February 2005 and became Chairman in January 2008. He has spent over 40 years working in the City and was chairman of the Association of Investment Companies from 2001 to 2003. He is chairman of Baronsmead VCT 3 plc, British & American Investment Trust PLC, F&C Global Smaller Companies PLC and Miton Worldwide Growth Investment Trust Plc. Anthony is chairman of the Management Engagement Committee.

John Allard

John Allard, aged 69, has served on the Board since October 2000. A director of M&G Investment Management for 16 years, he was an investment manager with M&G for over 20 years, specialising in equity income funds. John has been a director of various investment trust companies since 1981.

Neil Collins

Neil Collins, aged 68, has served on the Board since 30 January 2008. He has spent most of his career in financial journalism and was City Editor of The Daily Telegraph for nearly 20 years until he retired from the position in 2005. Prior to that he had been City Editor of the London Evening Standard and the Sunday Times. A former columnist for the London Evening Standard and commentator for Reuters, Neil currently writes a weekly column for the Financial Times on Saturdays. Neil is also a director of Templeton Emerging Markets Investment Trust PLC.

Simon Hayes

Simon Hayes, aged 45, joined the Board on 29 June 2015. Simon is the Chief Executive of Peel Hunt LLP. He joined Peel Hunt in 1993 and was appointed Head of Corporate Finance in 2003 and Chief Executive in 2006.

David Hunt, FCA

David Hunt, aged 68, joined the Board in July 2006. A Chartered Accountant, he was formerly a director in the Assurance and Business Services division of Smith & Williamson Limited. Prior to that he was a partner at both Binder Hamlyn and Andersen. David has over 30 years' experience advising quoted companies and is a member of the Audit and Risk Committee of the Church of England Pensions Board. He is chairman of the Audit Committee and is also the Senior Independent Director.

Vanessa Renwick

Vanessa Renwick, aged 54, has served on the Board since 11 October 2000. Vanessa has over 20 years' experience in the investment funds industry, having worked for Laing & Cruickshank and UBS Warburg. She has particular expertise in corporate finance and marketing.

8. The AIFM

Frostrow was established in 2007 and provides specialist management, administrative, company secretarial and marketing services to eight investment companies.

Frostrow won the Specialist Group of the Year award at the Investment Week, Investment Company of the Year Awards 2012.

9. The Portfolio Manager

Lindsell Train is an independent investment management company founded in 2000 which specialises in managing UK, Japanese and global equity mandates. The Portfolio Manager had approximately £5.6 billion of total funds under management as at 30 September 2015.

Lindsell Train won the Global Manager of the Year award at the Investment Week, Investment Company of the Year Awards 2012 and Mr Train won FE Trustnet FE Alpha Manager Rating in 2014.

10. The AIFM Agreement

Alternative investment fund management, administrative, secretarial and other services are provided by Frostrow under the AIFM Agreement. The AIFM Agreement may be terminated by either party giving not less than 12 months' notice.

A periodic fee is payable by the Company to Frostrow of 0.15 per cent. per annum of the adjusted market capitalisation of the Company (calculated in accordance with the AIFM Agreement). The AIFM is also entitled to an annual fixed fee of £70,000 calculated and payable monthly in arrears.

- Further details of the services provided under the AIFM Agreement are set out in paragraph 12.1 of Part 8.

11. Portfolio Management Agreement

Discretionary portfolio management services are provided by Lindsell Train, acting as a delegate of the AIFM pursuant to the Portfolio Management Agreement between the Company, Frostrow and the Portfolio Manager. The Portfolio Management Agreement may be terminated by any party giving not less than 12 months' notice.

The Portfolio Manager is appointed to act as the discretionary portfolio manager to the Company.

An annual fee is payable by the Company to Lindsell Train of 0.45 per cent. of the adjusted market capitalisation of the Company (calculated in accordance with the Portfolio Management Agreement) (the "**Periodic Fee**").

- Further details of the services provided under the Portfolio Management Agreement are set out in paragraph 12.2 of Part 8.

12. Capital Structure

12.1 *Share capital and life of the Company*

The Company's share capital structure consists solely of Ordinary Shares. As at the close of business on 11 December 2015 (being the latest practicable date at which such figure could be ascertained before the publication of this Prospectus), the Company had 126,196,212 Ordinary Shares in issue. The Ordinary Shares are in registered form and may be held in certificated or in uncertificated form.

The Company does not have a winding-up date or any periodic continuation votes.

12.2 *Further issues of Ordinary Shares*

The Board's policy is to issue Ordinary Shares at a premium to the higher of the estimated cum or ex income NAV per Ordinary share into the market when demand arises. The Company issued 23,485,000 Ordinary Shares in response to market demand between 1 October 2014 and 30 September 2015. Following the year end and up to the close of business on 11 December 2015 (being the latest practicable date at which such figure could be ascertained before the publication of this Prospectus), a further 5,231,000 Ordinary Shares were issued. Shareholder authority was granted at the November General Meeting to issue up to 12,362,521 Ordinary Shares. The placing programme described in the Company's prospectus dated 16 December 2014 will close on 15 December 2015. It is anticipated that the limit on the number of new Ordinary Shares that can be admitted to the Official List without the publication of a prospectus will be reached during the course of next year.

The proceeds from the issue of Ordinary Shares will be used in accordance with the Company's current investment policy and objective, as described in paragraph 2 of part 6 above, which can only be materially changed with the approval of Shareholders. Such proceeds will not necessarily be invested in securities of the portfolio companies set out in paragraph 4 above.

Should the Board wish to issue Ordinary Shares in excess of the amount which it will then be authorised to allot, further authorities will be sought at an appropriate time by convening a general meeting of Shareholders for the purpose. It is expected that this Prospectus will remain valid for twelve months from the date hereof, subject to the requirement under the Prospectus Rules to the publication of supplementary prospectuses to disclose any significant changes in the financial or trading position of the Company.

12.3 ***Borrowings***

The Company has a secured multicurrency revolving credit facility of £50 million for a fixed term expiring in October 2016. This facility carries a rate of interest calculated for each interest period, as agreed between the Company and the lender, equal to the percentage rate per annum which is the aggregate of 1.30 per cent. plus LIBOR plus a mandatory cost calculated in accordance with the mandatory cost formula as more particularly described in the Facility Agreement. As at 11 December 2015 (being the latest practical date at which such figure could be ascertained before the publication of this Prospectus), £29 million was drawn down under this facility, which equates to net gearing of 4 per cent. of the Company's net assets. This is consistent with the Company's gearing policy that the Company's gearing should not exceed 25 per cent. of its net assets.

13. Share Buybacks

Since 2 April 2004, the Board has applied an active discount management policy, buying back Ordinary Shares where these are available in the market at a discount of approximately 5 per cent. (or more) to the ex income Net Asset Value per Ordinary Share. The making and timing of any share buybacks is at the absolute discretion of the Board.

The Board's policy is that Ordinary Shares bought back by the Company will, to the maximum extent permitted by law, be retained in treasury to be reissued at a future date and resold by the Company. Such Ordinary Shares may (subject to there being in force a resolution of Shareholders to disapply the statutory rights of pre-emption that would otherwise apply) be resold by the Company at a discount to the prevailing ex income Net Asset Value per Ordinary Share, provided that the discount at which they are sold is less than the discount at which they were bought back by the Company.

In the year ended 30 September 2015, no Ordinary Shares were repurchased by the Company and no Ordinary Shares were reissued out of treasury, there having been no Ordinary Shares in treasury. At the date of this Prospectus, the Company did not hold any Ordinary Shares in treasury.

14. Dividends

In respect of the year ended 30 September 2015, the Company paid aggregate dividends of 12.1 pence per Ordinary Share. Future dividends paid by the Company will reflect the dividends earned on the Company's portfolio and, subject to unforeseen circumstances, the Board's objective is to maintain its progressive dividend policy over the long term.

The Board's current policy is to pay two interim dividends in respect of the Company's financial year, typically in May and November. On 17 March 2015 the Board declared an interim dividend of 5.5p per Ordinary Share which was paid on 6 May 2015 to those Shareholders on the register of members on 7 April 2015. On 23 September 2015 the Board declared a second interim dividend of 6.6p per Ordinary Share which was paid on 12 November 2015 to those Shareholders on the register of members on 9 October 2015.

15. Shareholder Information

The Company's annual report and accounts are prepared up to 30 September each year and copies are normally sent to Shareholders in December of the same year. Shareholders also receive an unaudited half year report covering the six months to 31 March each year which is expected to be despatched in May or June of that year. The Net Asset Value of an Ordinary Share is published daily and information on performance, holdings and investment activity is collated monthly by the AIFM in the form of a factsheet to be made available on the Company's dedicated website: www.finsburygt.com.

In accordance with the AIFM Rules, the AIFM will ensure that the following information in relation to the Company's portfolio is published in the Company's annual report and audited accounts, which can be found on the Company's website www.finsburygt.com:

- the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature;
- any new arrangements for managing the liquidity of the Company;
- the current risk profile of the Company and the risk management systems employed by the AIFM to manage those risks;
- any changes to the maximum level of leverage which the AIFM and the Portfolio Manager may employ on behalf of the Company as well as any right of the re-use of collateral or any guarantee granted under the leveraging arrangement. The Company will, in addition, notify Shareholders of any such changes, rights or guarantees without undue delay by issuing an announcement via an RIS; and
- the total amount of leverage employed by the Company.

16. Investment Trust and Regulatory Status

The Directors intend to continue to conduct the affairs of the Company so as to satisfy the conditions for approval as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010. HMRC has confirmed that the Company will be accepted as an approved investment trust for accounting periods commencing on or after 1 October 2012, subject to the Company continuing to meet the eligibility conditions in section 1158 Corporation Taxes Act 2010 and the ongoing requirements for approved companies in Chapter 3 of Part 2 of the Investment Trust (Approved Company) (Tax) Regulations 2011. At the date of this Prospectus, the Board believes that the Company has satisfied all the conditions for approval as an investment trust. The Company is not (and is not required to be) regulated or authorised by the FCA under FSMA but, in common with other issuers listed on the Official List, is subject to the Listing Rules and the Disclosure and Transparency Rules made by the FCA and is bound to comply with applicable laws including the Act and FSMA.

17. Depositary Arrangements

The Company has appointed BNY Mellon Trust & Depositary (UK) Limited as its Depositary under the Depositary Agreement, further details of which are set out in paragraph 12.3 of Part 8.

18. Corporate Governance

18.1 ***Compliance***

The Company is committed to high standards of corporate governance and the Board attaches importance to the matters set out in the Corporate Governance Code and continues to apply the "Main and Supporting Principles" of the Corporate Governance Code where relevant.

As an investment trust company, most of the Company's day to day responsibilities are delegated to third parties and the Directors are all non-executive. Thus not all the provisions of the Corporate Governance Code are directly applicable to the Company. The Board has taken appropriate action to ensure that the appropriate level of corporate governance is attained and the Company's practices are consistent with the Principles of the Corporate Governance Code.

The Board considers that it managed its affairs throughout the year ended 30 September 2015 and continues to do so in compliance with the recommendations of the AIC Code and the relevant provisions of section 1 of the Corporate Governance Code, save that, for the reasons referred to below, the Company does not comply with the Corporate Governance Code provisions relating to:

(a) the role of the chief executive;

(b) executive directors' remuneration;

(c) the Chairman of the Company continuing in the Chair at Board meetings when Directors' remuneration matters are considered; and

(d) the need for a separate nomination committee.

For the reasons set out in the AIC Guide, and in the preamble to the AIC Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment trust. The Company has therefore not reported further in respect of these provisions.

18.2 ***Internal Audit***

As the Company delegates to third parties its day-to-day operations and has no employees, the Board has determined that there are no requirements for an internal audit function. The Board reviews annually whether a function equivalent to an internal audit is needed and it will continue to monitor its systems of internal controls in order to provide assurance that they operate as intended.

18.3 ***Board Independence, Composition and Tenure***

The Board, chaired by Anthony Townsend who is responsible for its leadership and for ensuring its effectiveness in all aspects of its role, currently consists of six non-executive Directors. The Board currently meets five times a year and receives full information about the Company's investment performance assets, liabilities and other relevant information in advance of Board Meetings. The Directors' biographical details, set out in paragraph 7 of this Part 6, demonstrate a breadth of investment, commercial and professional experience. David Hunt has been designated as the Senior Independent Director, who can act as a sounding board for the Chairman and also acts as an intermediary for the other Directors when necessary. The Directors review their independence annually.

All Directors will stand for re-election annually.

Anthony Townsend, John Allard and Vanessa Renwick have served in excess of nine years on the Board. Nonetheless, the Board considers them to be independent in character and judgement and does not consider that the criterion of length of service should necessarily preclude them from being so considered. Simon Hayes, David Hunt and Neil Collins are all also considered by the Board to be independent. This position accords with the recommendation of the AIC Code that a director may be viewed as being independent notwithstanding service longer than nine years. The Board subscribes to the view expressed within the AIC Code that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that a Director's tenure necessarily reduces his or her ability to act independently and, following formal performance evaluations, believes that each of those Directors is independent in character and judgement and that there are no other relationships or circumstances which are likely to affect their judgement.

The Chairman regularly reviews the training and development needs of each Director. Directors' appointments are reviewed formally every three years by the Board. Any Director may resign in writing to the Board at any time.

The Board also receives regular briefings from, amongst others, the Auditor and the AIFM regarding any proposed developments or changes in laws or regulations that could affect the Company and/or the Directors.

18.4 ***Audit Committee***

The Audit Committee meets at least three times per year. It comprises the entire Board including the Chairman and is chaired by David Hunt. The Audit Committee is responsible for the review of the annual report and the half year report, the review of the risk management and internal control processes of the Company and its key service providers, the nature and scope of the external audit and the findings therefrom, and the terms of appointment of the auditors, including their remuneration and the provision of any non-audit services by them.

The Audit Committee reviews the need for non-audit services and authorises such on a case by case basis, non-audit services provided are considered to be cost effective and have not created any infringement on the independence and objectivity of the auditors.

The Audit Committee meets representatives of the AIFM and the Portfolio Manager and their compliance officers who report as to the proper conduct of business in accordance with the regulatory environment in which the Company, the AIFM and the Portfolio Manager operate. The Company's

Auditor also attends the Audit Committee at its request and reports on its work procedures, the quality and effectiveness of the Company's accounting records and its findings in relation to the Company's statutory audit. The Audit Committee meets with the Auditor, without representatives of the AIFM and the Portfolio Manager being present, at least once a year.

18.5 ***Management Engagement Committee***

The Management Engagement Committee meets at least once per year. It comprises the entire Board and is chaired by Anthony Townsend. The Management Engagement Committee is responsible for the regular review of the terms of the AIFM Agreement and the Portfolio Management Agreement, and the performance of, the AIFM and Portfolio Manager and also the Company's other service providers. The Committee last met in September 2015, at which time it was agreed that the continuing appointment of the AIFM under the terms of the AIFM Agreement and the Portfolio Manager under the terms of the Portfolio Management Agreement is in the best interests of the Shareholders as a whole. The AIFM Agreement and the Portfolio Management Agreement will be reviewed on a periodic basis as necessary.

18.6 ***Policy on Directors' Fees***

The fees of the non-executive Directors are limited at £200,000 in aggregate (exclusive of value added tax if applicable). There are no performance conditions attaching to the remuneration of the Directors as the Board does not believe that this is appropriate for non-executive directors. The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

18.7 ***Directors' Service Contracts***

It is the Board's policy that none of the Directors has a service contract. The terms of the Directors' appointment provide that they will retire and be subject to election at the first AGM after their appointment and to re-election annually thereafter. Those terms also provide that a Director may be removed without notice and that compensation will not be due on leaving office.

19. Taxation

Information concerning the tax issues of the Company and the taxation of Shareholders is contained in paragraph 13 of Part 8 of this Prospectus. If any potential investor is in any doubt about the tax consequences of his/her acquiring, holding or disposing of Ordinary Shares, he/she should seek advice from his/her own independent professional adviser.

20. Annual Running Expenses

In addition to management, administration and secretarial fees referred to above and in Part 8 of this document, the Company will pay all other fees, charges and expenses incurred in the operation of its business including, without limitation:

- brokerage and other transaction charges and taxes;
- Directors' fees and expenses;
- fees and expenses for custodial, registrar, legal, auditing and other professional services;
- any borrowing costs;
- the ongoing costs of maintaining the listing of the Ordinary Shares and their continued admission to trading on the London Stock Exchange;
- NAV publication costs;
- directors and officers insurance premiums;
- promotional expenses (including membership of any industry bodies, including the AIC, and marketing initiatives approved by the Board); and
- costs of printing the Company's financial reports and posting them to Shareholders.

Shareholders do not bear any fees, charges and expenses directly, other than any fees, charges and expenses incurred as a consequence of acquiring, transferring, redeeming or otherwise selling Ordinary Shares.

21. Liquidity Risk Management

The AIFM maintains a liquidity management policy to monitor the liquidity risk of the Company. Shareholders have no right to redeem their Ordinary Shares from the Company but may trade their Ordinary Shares on the secondary market. However, there is no guarantee that there will be a liquid market in the Ordinary Shares.

Further details regarding the risk management process and liquidity management is available from the AIFM, on request.

22. Governing Law

The agreement between Shareholders and the Company is governed by English law and, by purchasing Ordinary Shares, Shareholders agree that the courts of England have exclusive jurisdiction to settle any disputes. All communications in connection with the purchase of Ordinary Shares will be in English.

PART 7:

FINANCIAL INFORMATION RELATING TO THE COMPANY

1. Statutory accounts for three financial years ended 30 September 2015

Statutory accounts of the Company for the three financial years ended 30 September 2015, in respect of which the Company's auditor, PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditor, of 7 More London, Riverside, London SE1 2RT, has given unqualified opinions that the accounts give a true and fair view of the state of affairs of the Company and of its total return and cash flows for the year ended 30 September 2015 and have been properly prepared in accordance with the Companies Act 2006.

Save for the historical information of the Company for the three financial periods ended 30 September 2015 set out, or incorporated by reference, in paragraph 2.1 of this Part 7 of the Prospectus, none of the information in this Prospectus has been audited. Unless otherwise indicated, all unaudited financial information relating to the Company contained in this document has been sourced, without material adjustment, from the internal accounting records of the Company which are maintained by the AIFM on the Company's behalf on a basis consistent with the Company's accounting policies.

2. Published annual reports and accounts for three financial years ended 30 September 2015

The published annual reports and audited accounts for the Company for the three financial years ended 30 September 2015 (the "Annual Reports") have been partly incorporated in this Prospectus by reference. The information from the Annual Reports that has been incorporated by reference is detailed, together with the respective pages, in paragraphs 2.1, 2.2 and 2.3 of this Part 7 of the Prospectus. Any part of the Annual Reports not included in these tables, and therefore not incorporated by reference, is either not relevant for the investor or is covered elsewhere in the Prospectus.

2.1 ***Historical financial information***

The published annual reports and audited accounts for the Company for the three financial years ended 30 September 2015, which have been partly incorporated in this Prospectus by reference, included, on the pages specified in the table below, the following information:

	Annual report and accounts for the year ended 30 September		
	2013	*2014*	*2015*
Nature of Information	*Page No(s)*	*Page No(s)*	*Page No(s)*
Income Statement	38	60	44
Balance sheet	40	62	46
Cash flow statement	41	63	47
Accounting policies	42-43	64-66	48-49
Notes to the financial statements (incorporating summary of principal accounting policies)	42-54	64-75	48-59
Audit report	35-37	55-59	60-64

2.2 ***Selected financial information***

The key audited figures that summarise the Company's financial condition in respect of the three financial years ended 30 September 2015, which have been extracted without material adjustment from the historical financial information referred to in paragraph 2.1 of this Part 7 (unless otherwise indicated in the notes below the following table), are set out in the following table:

	As at or for year ended 30 September		
	2013	*2014*	*2015*
Total net assets (£'000)	395,839	494,931	673,690
NAV per Share (pence)	476.1	507.7	556.9
Revenue			
Net return (£'000)	9,657	11,467	14,683
Return per Share (pence)	12.7	12.6	13.5
Dividend per Share (pence)	10.5	11.3	12.1
Total			
Return attributable to Shareholders (£'000)	85,207	36,074	59,007
Return per Share (pence)	112.1	39.6	54.3

2.3 ***Operating and financial review***

The Company's published annual reports and accounts for the three financial years ended 30 September 2015 included, on the pages specified in the table below, descriptions of the Company's financial condition (in both capital and revenue terms); details of the Company's investment activity and portfolio exposure; and changes in its financial condition for each of those years.

	Annual report and accounts for the year ended 30 September		
	2013	*2014*	*2015*
	Page No(s)	*Page No(s)*	*Page No(s)*
Nature of Information			
Chairman's statement	3-4	4-6	4-5
Portfolio manager's review	9-10	14-15	12-14
Portfolio analysis	12	21	11
Performance summary	2	2-3	2-3

The causes of material changes in the capital value of the Company's assets in these three financial years can be summarised as follows:

Year ended 30 September 2015

During the year the Company delivered a total return of £59,007,000 made up of a capital return of £44,324,000 and a net revenue return of £14,683,000. Dividends totalling £13,925,000 were declared for the year representing 12.1p per Ordinary Share.

The Company delivered a Net Asset Value per share total return of 12.0 per cent. and a share price total return of 11.8 per cent., outperforming the Company's benchmark index, the FTSE All-Share Index, measured on a total return basis, which fell by 2.3 per cent. The principal contributors to Net Asset Value per Ordinary Share performance came from the Company's holdings in Sage Group, London Stock Exchange, Hargreaves Lansdown and RELX .

Year ended 30 September 2014

During the year the Company delivered a total return of £36,074,000 made up of a capital return of £24,607,000 and a net revenue return of £11,467,000. Dividends totalling £10,745,000 were declared for the year representing 11.3p per Ordinary Share.

The Company delivered a Net Asset Value total return of 8.9 per cent. and a share price total return of 8.6 per cent., outperforming the Company's benchmark index, the FTSE All-Share Index, measured on a total return basis, which rose by 6.1 per cent. The principal contributors to Net Asset Value per

Ordinary Share performance came from the Company's holdings in London Stock Exchange, Reed Elsevier, Rathbone Brothers and A.G. Barr.

Year ended 30 September 2013

During the year the Company delivered a total return of £85,207,000 made up of a capital return of £75,550,000 and a net revenue return of £9,657,000. Dividends totalling £8,395,000 were declared for the year representing 10.5p per Ordinary Share.

The Company delivered a Net Asset Value total return of 31.6 per cent. and a share price total return of 30.5 per cent., outperforming the Company's benchmark index, the FTSE All-Share Index, measured on a total return basis, which rose by 18.9 per cent. The principal contributors to Net Asset Value per Ordinary Share performance came from the Company's holdings in Schroders, London Stock Exchange, Heineken and Daily Mail & General Trust.

2.4 ***Availability of annual reports and accounts for inspection***

Copies of the Company's audited accounts for the three financial years ended 30 September 2015 are available for inspection at the address of Frostrow set out in paragraph 24 of Part 8 of this Prospectus.

PART 8:

GENERAL INFORMATION

1. Responsibility

The Company, whose registered office appears in paragraph 2 of this Part 8, and the Directors, whose names appear on page 28 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omissions likely to affect the import of such information.

2. The Company

2.1 ***Incorporation***

2.1.1 The Company was incorporated in Scotland with an unlimited life on 15 January 1926. The Company is an investment company under section 833 of the Act.

2.1.2 The issued Ordinary Shares in the Company are listed on the Official List and are admitted to trading on the London Stock Exchange.

2.1.3 The principal legislation under which the Company operates is the Act. The Company is domiciled in the United Kingdom.

2.1.4 The address of the registered office of the Company is 50 Lothian Road, Festival Square, Edinburgh EH3 9WJ, with telephone number 0131 473 6000.

2.1.5 The Company has no employees and most of its day-to-day activities are delegated to third parties.

2.2 ***Principal Activities***

The Articles of Association of the Company provide that the Company has unlimited objects. Further details of the Articles are set out in paragraph 4 of this Part 8 of the Prospectus and a copy of the same is available for inspection at the address specified in paragraph 24 of this Part 8 of this Prospectus.

3. Share Capital

As at the close of business on 11 December 2015 (being the latest practicable date before the publication of this Prospectus), the Company had 126,196,212 Ordinary Shares in issue.

The Company's issued share capital history during the last three financial years and since 30 September 2012 is as follows:

- As at 30 September 2013 the Company had 83,136,557 Ordinary Shares of 25p each in issue. As at this date no shares were held in treasury. During the year 14,568,176 new Ordinary Shares were issued, no Ordinary Shares were reissued out of treasury and no Ordinary Shares were repurchased to be held in treasury.
- As at 30 September 2014 the Company had 97,480,212 Ordinary Shares of 25p each in issue. As at this date no shares were held in treasury. During the year 14,343,655 new Ordinary Shares were issued, no Ordinary Shares were reissued out of treasury and no Ordinary Shares were repurchased to be held in treasury.
- As at 30 September 2015 the Company had 120,965,212 Ordinary Shares of 25p each in issue. As at this date no shares were held in treasury. During the year 23,485,000 new Ordinary Shares were issued, no Ordinary Shares were reissued out of treasury and no Ordinary Shares were repurchased to be held in treasury.

By virtue of the special resolution passed at the November General Meeting, Shareholders' authority to issue on a non pre-emptive basis up to 12,362,521 Ordinary Shares was granted.

This Prospectus relates to the issue of up to 60,000,000 Ordinary Shares. The Prospectus Rules require the Company to set a maximum price for the issue of Ordinary Shares under this Prospectus; to permit maximum flexibility the Directors have set this maximum issue price at £10 per Ordinary Share.

4. Articles of Association

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

4.1 *Proposed amendments to the Articles of Association*

A special resolution will be put to the Shareholders at the 2016 AGM to amend the Articles of Association in order to cause the Company's shareholders to be obliged to co-operate with the Company in order to ensure that the Company is able to comply with its obligations under all regulations enacted in the United Kingdom from time to time to implement automatic exchange of information between jurisdictions, which currently are the International Tax Compliance Regulations 2015, which relate not only to the Hiring Incentives to Restore Employment Act 2010 of the United States of America commonly known as the Foreign Account Tax Compliance Act or FATCA but also to the regimes that are being brought in by the European Union and under the auspices of the Organisation for Economic Co-operation and Development.

4.2 *Existing Articles of Association*

4.2.1 *Modification of Rights*

Subject to the Act (and other company legislation) whenever the share capital of the Company is divided into different classes of shares, all or any of the rights and restrictions for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of the Articles as to the general meetings of the Company apply *mutatis mutandis*, but so that the quorum for a separate general meeting held in order to approve the modification of rights attaching to a particular class of shares in the Company is two persons holding at least one-third in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares). If such general meeting is adjourned and a quorum is not present within fifteen minutes after the time appointed for the adjourned meeting, one holder of shares in the relevant class shall be a quorum. In respect of such general meeting: (i) only members holding the relevant class of shares will be given notice of and be entitled to attend; and (ii) any person present in person or by proxy, holding shares in the relevant class and entitled to vote, may demand a poll and that on a poll each person holding shares in the relevant class and entitled to vote shall have one vote for every share of that class which he holds.

4.2.2 *Alteration of share capital*

Subject to the Act, the Company may from time to time by ordinary resolution:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) sub divide its shares or any of them into shares of smaller amount than is fixed by its constitution or was fixed by the resolution creating the shares. In any subdivision the proportion between the amount paid and the amount, if any, unpaid on each share of a smaller amount shall be the same as it was in the case of the share from which the share of a smaller amount was derived. The resolution whereby any share is sub divided may determine that as between the holders of the shares resulting from such sub division (but subject and without prejudice to any rights for the time being attached to the shares of any special class) one or more of the shares may have any

such preferred or other special rights over, or may have such deferred or qualified rights or be subject to any such restrictions as compared with, the other or others as the Company has power to attach to unissued or new shares.

Subject to compliance with the terms of any such resolution as referred to in this Article, where any difficulty arises in regard to any consolidation and division under Article 57.1, the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Members who would have been entitled to the fractions, or, if permitted for the retention of such net proceeds for the benefit of the Company, and for this purpose the Board may authorise some person to transfer the shares representing fractions to the purchaser thereof, who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

4.2.3 *Purchase by the Company of its own shares*

Subject to and in compliance with the Act (and other company legislation), the Company may, from time to time, purchase its own shares of any class so long as such shares are fully paid. Such purchase may be made out of profits or the proceeds of a fresh issue of shares made for the purpose or with any funds (including capital assets) in the hands of the Company and may be made on such terms as the Directors think fit.

4.2.4 *Issue of shares*

Subject to the Act (and other company legislation) and the Articles, the Board may offer, allot, grant options over or issue new shares in the Company or otherwise dispose of them to such persons, at such times, for such consideration and upon such terms and conditions as they may determine.

4.2.5 *Transfer of shares*

Subject to the Articles, any Shareholder can transfer all or any of his certificated shares by an instrument of transfer in the usual common form or in any other manner (whether or not by written instrument) which the Board approves.

Written instruments of transfer in respect of certificated shares have to be signed by or on behalf of the transferor and, if the share is only partly paid, the transferee. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of the share. The Company may retain all registered instruments of transfer.

The Directors can from time to time determine that the register of shares be suspended for a specified period not exceeding in whole thirty days in each year, provided that notice is given by advertisement in one national newspaper and such other newspaper, if any, as the Act (and other company legislation) requires.

The Directors have absolute discretion to decline, without giving reasons, the registration of any transfer of any certificated share which is not a fully paid share unless:

(a) in the case of a share of a class which is listed on the Official List, maintained by the UKLA, to do so would prevent dealings in those shares from taking place on an open and proper basis; or

(b) any written instrument of transfer, duly stamped, is lodged with the Company (or such other place as the Directors may decide) together with the certificate for the shares to which it relates and there is provided such evidence of ownership as the Directors may reasonably require to show the right of the transferor to make the transfer, the instrument of transfer is in respect of only one class of share and, in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.

If the Directors so decline to register a certificated share, the transferee must be sent notice of that refusal within two months (or such other period, if any, as may be prescribed by the Act (and other company legislation)).

4.2.6 *Uncertificated shares*

Subject to the Act (and other company legislation) and the Regulations and the requirements of the relevant system, the Directors may resolve that a class of shares is to become a participating security and that a class of shares is to cease to be a participating security.

Uncertificated shares may be transferred in accordance with the Regulations.

Uncertificated shares of a class are not regarded as forming a separate class from certificated shares of that class.

A Shareholder may, in accordance with the Regulations, change a share of a class which is a participating security from a certificated share to an uncertificated share and from an uncertificated share to a certificated share.

The Company may give notice to a Shareholder requiring that Shareholder to change uncertificated shares to certificated shares by the time stated in the notice. The notice may also state that that Shareholder may not change certificated shares to uncertificated shares. If that Shareholder does not comply with the notice, the Directors may authorise a person to change the uncertificated shares in the name and on behalf of that Shareholder.

4.2.7 *Borrowing*

The Directors may borrow any sum or sums of money upon such terms as to interest or otherwise as they may deem fit, and for the purpose of securing the same and interest, or for securing the repayment or payment of any other debt, liability or obligation of the Company or of any subsidiary or subsidiaries of the Company for the time being, or for any other purpose, create, issue, make and give respectively bonds or any perpetual or redeemable debentures or debenture stock, or any bond, ex facie absolute disposition, mortgage or charge on the undertaking or the whole or any part of the property, present or future, or unissued or uncalled capital of the Company, and any bonds, debentures, debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

The aggregate principal amount borrowed (including any premium payable on the final repayment) and at any one time remaining outstanding by the Company and all its subsidiaries for the time being (excluding inter company loans) may not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to twice the aggregate of (i) the nominal amount of the consolidated share capital of the Company for the time being issued and paid up and (ii) the amounts standing to the credit of the capital and revenue reserves including profit and loss account, share premium account and capital redemption reserve (after deduction of any amount of property attributable to minority interests) but excluding any sums set aside for taxation all as shown in the latest published Consolidated Balance Sheet of the Company and its subsidiaries, if any, or if none, as shown in a pro-forma statement as certified by the Auditor for the time being of the Company, but adjusted as may be necessary in respect of any share capital of the Company issued or paid up since the date of that Balance Sheet or pro-forma statement (as the case may be).

4.2.8 *General Meetings*

The Directors will convene and the Company will hold general meetings as AGMs in accordance with the requirements of the Act (and other company legislation) at such times and places as the Directors will appoint. Any meeting of the Company other than an AGM will be called a general meeting.

The Director may, whenever it thinks fit, convene a general meeting and general meetings will be convened on such requisition or in default may be convened by such requisitions as is provided by the Act (and other company legislation).

Notice for AGMs and meetings at which it is proposed to pass a special resolution is 21 days' written notice. Notice for all other general meetings is 14 days' written notice. The notice will specify the place, day and time of the meeting and, in the case of special business, the general nature of that business.

The quorum for a general meeting is two Shareholders present in person or by proxy and entitled to vote. If within 30 minutes (or such longer time and exceeding one hour as the chairman of the meeting may decide to wait) after the time appointed for a meeting a quorum is not present, the meeting, if convened on the requisition of the Shareholder, will be dissolved. In any other case, it will be adjourned to such other day and at such other time (not being less than fourteen nor more than twenty eight days later) or place as the chairman of the meeting may determine. The Company must give at least seven days' notice in writing of any such adjourned meeting and must state in that notice that one Shareholder present in person or by proxy is a quorum.

The chairman of the Board or, in his absence, a deputy chairman (if any) will preside as chairman at every general meeting of the Company, unless the chairman or deputy chairman is not present within 15 minutes after the time appointed for holding the meeting, in which case the Directors present will choose one of their number to act, or if one Director only is present he will preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll will elect one of their number to be chairman.

The chairman of a general meeting may take any action he considers appropriate, for example, for the safety of people attending a general meeting, the proper and orderly conduct of a general meeting or in order to reflect the wishes of the majority. He may, for example, require any people to prove who they are, carry out security searches and stop certain things being taken into the meeting. The chairman may on reasonable grounds refuse to allow any person into a meeting, or may arrange for any person who refuses to comply with any reasonable requirements he may impose to be removed from a meeting. Additionally, the Directors may arrange for any people whom they consider cannot be seated in the main meeting room (where the chairman will be) to attend and take part in a general meeting in an overflow room or rooms which will have a live video link from the main room and a two-way sound link. The notice convening the meeting need not give details of any of these arrangements.

4.2.9 *Votes of Members*

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every Shareholder who is present in person at a general meeting of the Company will have one vote and on a poll every Shareholder who is present in person or by proxy will have one vote for each share of which he is the holder or to which he is entitled pursuant to the Articles. At the date of this Prospectus no shares are in issue or held subject to any special terms as to voting.

A proxy need not be a Shareholder. An instrument appointing a proxy must be in writing and must, if not sent in electronic form, be left at the place specified not less than 48 hours before the time appointed for holding the meeting.

4.2.10 *Dividends*

Subject to the Act (and other company legislation) and the Articles, the Company in general meeting may from time to time declare dividends to be paid to the Shareholders according to their rights and interests in the profits available for distribution, but no dividend can be declared in excess of the amount recommended by the Directors.

The Directors may from time to time pay to the Shareholders such interim dividends as appear to the Directors to be justified by the position of the Company. The Directors may also pay any fixed dividend, which is payable on any shares of the Company, half-yearly or on any other dates, whenever such position in the opinion of the Directors justifies such payment.

Any dividend unclaimed after period of twelve years from the date of declaration of such dividend or from the date such dividend became due for payment will be forfeited and will revert to the Company.

4.2.11 *Untraced Shareholders*

The Company is entitled to sell at the best price reasonably obtainable any share of a Shareholder or any share to which a person is entitled by transmission if:

(a) for a period of 12 years in the course of which at least three dividends have become payable in respect of the share in question, no cheque or warrant sent by the Company through the post in a prepaid letter addressed to the Shareholder or to the person entitled by transmission to the share at his address on the Company's register of Shareholders or other last known address given by the Shareholder or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the Shareholder or the person entitled by transmission;

(b) the Company has at the expiration of that 12 year period by advertisement in both a national newspaper and in a newspaper circulating in the area in which the address referred to in (a) above is located giving notice of its intention to sell such share;

(c) the Company has not during a further period of three months after the date of advertisement and prior to the exercise of the power of sale received any communication from the Shareholder or person entitled by transmission; and

(d) the Company has first given written notice to the FCA of its intention to sell such share.

The Company must account to the Shareholder or other person entitled to the share for the net proceeds of sale and will be deemed to be his debtor and not a trustee for him or her in respect of the same. Any money not accounted for to the Shareholder or other person entitled to such share will be carried to a separate account and will be a permanent debt of the Company. Money in that account may either be employed in the business of the Company or invested in such investments as the Directors may from time to time think fit.

4.2.12 *Suspension of share rights*

Where a registered holder in the Company fails to comply, within the specified period, with a notice given by the Directors under the Act (and other company legislation) requiring him or her to give particulars of any interest in any such shares, the Company may give that person a notice stating or to the effect that such shares will from the service of such restriction notice confer on such person no right to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of the shares of that class until the statutory notice has been complied with and such shares will accordingly not confer any right to attend or vote in relation to any such meeting.

Where the shares in respect of which such a notice has been issued represent 0.25 per cent. or more of the class of share concerned, the notice may in addition direct that:

(a) any dividend or other money which would otherwise be payable on such shares will be retained by the Company until the notice is cancelled or ceases to have effect without any liability to pay interest thereon when such money is finally paid to the person entitled to it; and/or

(b) no transfer will be registered unless the registered holder or bearer of them is not himself or herself in default for the failure to supply information and that person

satisfies the Directors that no person in default is interested in any of the shares in question.

The period specified in such a notice in respect of any particular Shareholder may not be less than 14 days from the date of service of the notice. The restrictions may be cancelled by the Directors at any time and will automatically cease to have effect where any share is sold:

(a) to an offeror in acceptance of an offer made to the holders of all the shares in the Company or the holders of a particular class of those shares to acquire all of those shares or a specified proportion of them;

(b) where the whole beneficial ownership of the shares is sold to a person unconnected with the vendor and any one else interested in those shares; or

(c) when the sale is made through a Recognised Investment Exchange or any stock exchange outside the UK on which the Company's shares are normally traded.

4.2.13 *Directors*

Subject to an ordinary resolution of the Company, there must be at least three Directors of the Company and there is no maximum number. Directors are not subject to any shareholding qualification.

4.2.13.1 Appointment and Removal of Directors

A Director may be appointed by an ordinary resolution of the Company, either to fill a casual vacancy or in addition to the existing Directors. If a Director is appointed by the other Directors, he only holds office until the next AGM at which he is eligible for re-election, and that Director is not taken into account when determining the Directors who are to retire by rotation.

Other than in the case of a Director retiring at a general meeting, no person can be appointed a Director unless the appropriate written notices are submitted by the Shareholder proposing that person for election and the candidate himself or herself not less than seven and not more than forty-two clear days prior to the meeting.

The Company can by special resolution or by ordinary resolution of which special notice has been given, remove any Director before the expiration of his or her period of office. Another Director may be appointed in his or her place by ordinary resolution and such Director is subject to retirement at the same time as if he had become a Director when the Director in whose stead he is appointed became a Director.

4.2.13.2 Retirement of Directors by rotation

At every general meeting any Director who was not elected or re-elected at either of the two preceding AGMs will retire from office and be eligible for re-election together with such additional Directors as to bring the number of Directors retiring by rotation to at least one third of the number of Directors in office. The additional Directors to retire on each occasion are those who have been longest in office since their last election. If there are Directors who were last elected on the same date, they can agree on who is to retire and, if they are unable to agree, they must draw lots to decide. In default of the Company electing a new person to the office of Director, the retiring Director will, if willing to continue to act, be deemed to have been re-elected, unless it is expressly resolved at the meeting not to fill such vacated office or a resolution for the re-election of that Director is lost at the meeting.

4.2.13.3 Disqualification of Directors

The office of Director must be vacated if all the other Directors request his or her resignation by written notice or the Director:

(a) himself or herself delivers a written notice of resignation;

(b) becomes of unsound mind or a mental health patient as defined in statute and the Directors resolve that he should vacate office;

(c) is absent without leave from meetings of the Directors for six consecutive months and the Directors resolve that he should vacate office;

(d) becomes bankrupt or compounds with his or her creditors;

(e) is prohibited by law from being a Director; or

(f) ceases to be a Director by virtue of the Act (and other company legislation) or is removed from office pursuant to the Articles.

No Director will be required to vacate office and no person will be disqualified from being appointed a Director by reason only of the fact that he has attained the age of 70 years. But where a meeting is convened at which a Director will be proposed for election or re-election who has, at the date of that meeting, attained the age of 70 years, notice of him or her having attained the age of 70 in the notice convening the meeting or any prospectus sent with it.

4.2.13.4 Directors' Fees and Expenses

Each of the Directors is paid a fee at a rate from time to time determined by the Directors, subject to a maximum aggregate amount of £200,000 per annum (exclusive of value added tax if applicable).

Each Director is also entitled to his or her reasonable travelling, hotel and incidental expenses of attending and returning from general meetings, meetings of the Directors and committees of the Directors together with all expenses properly and reasonably incurred by him or her in the conduct of the Company's business or in the discharge of his or her duties as a Director.

A Director may hold any other office or place of profit with the Company, except that of auditor, in conjunction with his or her office of Director for such period, upon such terms and for such extra remuneration as the Directors may determine. Similarly a Director may act by himself or herself or his or her firm in a professional capacity for the Company (otherwise than as auditor) and will be entitled to remuneration for those professional services.

4.2.13.5 Permitted interests of Directors

A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested and is not liable to account to the Company for any remuneration, profit or other benefit received by him or her from such position or interest.

No Director or proposed or intending Director is disqualified by his or her office from contracting with the Company, either with regard to his or her tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever (and no such contract is liable to be avoided and the Director is not liable to account to the Company in respect of such contracts).

4.2.13.6 Restrictions on voting

Directors cannot vote or be counted in the quorum on any Directors' resolution concerning his or her own appointment as the holder of any office or place of appointment with the Company or any other company in which the Company is interested. Where proposals are under consideration concerning the appointment of 2 of more Directors to offices or employment with the Company or any company in which the Company is interested, such proposals will be divided and considered in relation to each Director separately and in such cases each of the

Directors concerned will be entitled to vote (and to counted in the quorum) in respect of each resolution except that concerning this own appointment.

A Director who, to his or her knowledge, is interested, in any way, whether directly or indirectly, and whether for himself or herself or through a person connected with him or her, in a contract, transaction, arrangement or proposed contract with the Company must declare the nature of that interest in accordance with the Act (and other company legislation).

A Director may not vote on any Directors' resolution in respect of any contract or other proposal in which he is to his or her knowledge materially interested and if he does so his or her vote will not be counted. However this is subject to the following exceptions:

(a) the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or her or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;

(b) the giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the Director himself or herself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(c) the granting of any indemnity or provision of funding unless the terms of such arrangement confer upon such Director a benefit not generally available to any other Director;

(d) an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or is to be or may be entitled to participate as a holder of securities or as an underwriter or sub-underwriter;

(e) any matters involving or relating to any other company in which he or any person connected with him or her has a direct or indirect interest (whether as an officer or shareholder or otherwise), provided that he and any persons connected with him or her are not to his or her knowledge the holder (otherwise than as a nominee for the Company or any of its subsidiary undertakings) of or beneficially interested in one per cent. or more of any class of the equity share capital of such company (or of any third company through which his or her interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);

(f) an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him or her any privilege or benefit not generally awarded to the employees to whom the arrangement relates;

(g) the purchase and/or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.

4.2.14 *Winding up*

If the Company is wound up, the liquidator may, with the relevant sanctions, divide amongst the Shareholders *in specie* or in kind the whole or any part of the assets of the Company and may determine how such division will be carried out as between the Shareholders or difference classes of them, vesting them in trust where the liquidator thinks fit, but so that no Shareholder will be compelled to accept any shares or other assets upon which there is any liability.

5. Squeeze-out and Sell-out Rules relating to the Ordinary Shares

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties to Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer (and depending on the circumstances, its concert parties) would be required, except with the consent of the Panel, to make a cash offer for the outstanding Ordinary Shares in the Company at a price not less than the highest price paid for any interests in the Ordinary Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by an acquisition of Ordinary Shares by a person holding (together with its concert parties) Ordinary Shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

6. Valuation Policy

Frostrow is responsible for determining and calculating the NAV per Ordinary Share. The unaudited NAV per Ordinary Share is calculated on each Dealing Day (on both an ex-income and cum-income basis) and is announced to a Regulatory Information Service. The NAV is calculated in accordance with UK GAAP, the SORP and guidelines published by the Association of Investment Companies and in accordance with the AIFM Rules.

The Company's portfolio of assets will be valued on each Dealing Day. All instructions to issue or cancel Ordinary Shares given for a prior Dealing Day shall be assumed to have been carried out (and any cash paid or received).

The valuation will be based on the following:

(a) Cash and amounts held in current and deposit accounts and in other time-related deposits will be valued at their nominal value.

(b) All transferable securities will be valued at fair value:

  (i) fair value for quoted investments is deemed to be bid market prices, or last traded price, depending on the convention of the exchange on which they are quoted; and

  (ii) unquoted investments are valued by the Directors using primary valuation techniques such as discounted multiple of revenue.

(c) All other property contained within the Company's portfolio of assets will be priced at a value which, in the opinion of the AIFM, represents a fair and reasonable price.

(d) If there are any outstanding agreements to purchase or sell any of the Company's portfolio of assets which are incomplete, then the valuation will assume completion of the agreement.

(e) Added to the valuation will be:

  (i) any accrued and anticipated tax repayments of the Company;

  (ii) any money due to the Company because of Ordinary Shares issued prior to the relevant Dealing Day;

  (iii) income due and attributed to the Company but not received; and

  (iv) any other credit of the Company due to be received by the Company.

  Amounts which are *de minimis* may be omitted from the valuation.

(g) Deducted from the valuation will be:

  (i) any anticipated tax liabilities of the Company;

  (ii) any money due to be paid out by the Company because of Ordinary Shares bought back by the Company prior to the valuation;

  (iii) the principal amount and any accrued but unpaid interest on any borrowings; and

  (iv) any other liabilities of the Company, with periodic items accruing on a daily basis.

  Amounts which are *de minimis* may be omitted from the valuation.

All of the Company's investments, save for Frostrow Capital LLP, are listed and are valued at the closing prices. Valuations of NAV per Ordinary Share will be suspended only in any circumstances in which the underlying data necessary to value the investments of the Company cannot readily or without undue expenditure be obtained. Any such suspension will be announced to a Regulatory Information Service.

7. Net Asset Value and Ordinary Share price

As at the close of business on 11 December 2015 (being the latest practicable date prior to the publication of this Prospectus), the unaudited cum income Net Asset Value per Ordinary Share was 556.66 pence and the share price was 561.50 pence, representing a 0.87 per cent. premium to the cum income Net Asset Value per Ordinary Share. The unaudited ex income Net Asset Value per Ordinary Share was 555.56 pence and the share price was 561.50 pence, representing a 1.07 per cent. premium to the ex income Net Asset Value per Ordinary Share.

8. Conflicts of Interest

The AIFM, the Portfolio Manager, any of their respective directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an "**Interested Party**") may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. Interested Parties may provide services similar to those provided to the Company to other entities and will not be liable to account for any profit from any such services. The AIFM maintains and operates organisational, procedural and administrative arrangements and implements policies and procedures designed to manage actual and potential conflicts of interest.

9. Investment Restrictions

In order to comply with the Listing Rules, the Company will not invest more than 10 per cent. in aggregate, of the value of its total assets (calculated at the time of any relevant investment) in other investment companies or investment trusts which are listed on the Official List (save to the extent that these investment companies or investment trusts have stated investment policies to invest no more than 15 per cent. of their gross assets in other investment companies (including investment trusts) which are listed on the Official List).

In order for the Company to be approved as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010, all, or substantially all of its business must consist of investing its funds in shares, land or other assets with the aim of spreading investment risk and giving members of the Company the benefit of the results of the management of its funds.

In the event of any material breach of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the AIFM through a Regulatory Information Service.

10. Interests of Directors, major shareholders and related party transactions

10.1 ***Directors' interests***

As at the close of business on 11 December 2015, (being the latest practicable date prior to the publication of this Prospectus) the Directors had beneficial interests in the following number of Ordinary Shares:

	Ordinary Shares	*% of issued Share Capital*
Anthony Townsend	179,468	0.14
John Allard	41,417	0.03
Neil Collins	48,842	0.04
Simon Hayes	10,000	0.01
David Hunt	32,000	0.03
Vanessa Renwick	42,657	0.03

10.2 ***Directors' contracts with the Company***

All the Directors of the Company are non-executive. It is the Board's policy that none of the Directors has a service contract. The terms of their appointment provide that a director may be removed without notice and that no compensation will be due on leaving office.

Simon Hayes was appointed to the Board on 29 June 2015, Neil Collins was appointed to the Board on 30 January 2008, David Hunt was appointed to the Board on 6 July 2006, John Allard and Vanessa Renwick were both appointed on 11 October 2000 and Anthony Townsend was appointed on 1 February 2005. The appointment of each Director has continued through re-election.

All Directors who were appointed at the time retired at the last AGM (held on 3 February 2015) and, offering themselves for re-election, were duly re-elected. All Directors will be standing for election or re-election at the next AGM, as appropriate.

For the year ended 30 September 2015, Mr Townsend was paid fees of £33,000 per annum, Mr Hunt was paid fees of £25,250 per annum and the other Directors were paid fees of £22,000 per annum monthly in arrears with the exception of Mr Hayes who, having been appointed part way through the year, was paid a pro rata fee of £5,669. In respect of the financial year ended 30 September 2015, the aggregate remuneration paid to the Directors was £129,919.

10.3 ***Directors' other interests***

Over the five years preceding the date hereof, the Directors have held the following directorships' (apart from their directorships' of the Company) and/or partnerships:

Anthony Townsend

Company	*Position*	*Appointed*	*Resigned*
Baronsmead VCT 3 PLC	Director	4 August 2009	Ongoing
British & American Investment Trust PLC	Director	6 October 1999	Ongoing
Cranleigh School	Director	21 November 1998	Ongoing
Cranleigh Enterprises Limited	Director	4 November 1999	Ongoing
Cranleigh Foundation	Director	13 December 2007	Ongoing
F&C Global Smaller Companies PLC	Director	24 September 2004	Ongoing
Hansa Capital Limited	Director	20 October 1998	Ongoing
Miton Worldwide Growth Investment Trust PLC	Director	23 February 2004	Ongoing
Worldwide Healthcare Trust PLC	Director	14 February 1995	17 July 2013

Neil Collins

Company	*Position*	*Appointed*	*Resigned*
Templeton Emerging Markets Investment PLC	Director	29 September 2006	Ongoing

Simon Hayes

Company	*Position*	*Appointed*	*Resigned*
Peel Hunt Holdings Limited	Director	8 December 2003	Ongoing
P.H. Nominees Limited	Director	5 March 2004	Ongoing
P.H. Trustees Limited	Director	5 March 2004	18 August 2015*
Peel Hunt Nominees Limited	Director	5 March 2004	Ongoing
Peel Hunt CFD Limited	Director	22 May 2006	Ongoing
Macsco 22 Limited	Director	13 July 2010	Ongoing
Peel Hunt LLP	Designated Member	11 August 2010	Ongoing
M22 Nominees Limited	Director	19 November 2010	Ongoing
Peel Hunt Inc.	Director	25 October 2011	Ongoing

*Voluntary Liquidation or Dissolution

David Hunt

Company	*Position*	*Appointed*	*Resigned*
Astra House (IOW) Limited	Director	14 January 2009	Ongoing
Nexia Smith & Williamson Audit Limited	Director	17 October 2002	30 April 2011

10.4 The Directors in the five years before the date of this Prospectus:

(a) do not have any convictions in relation to fraudulent offences;

(b) have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and

(c) do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

10.5 ***Major Shareholders***

As at the close of business on 11 December 2015 (being the latest practicable date before publication of this Prospectus), the following parties were known to be interested in 3 per cent. or more of the Company's share capital (being the threshold for notification under the Act):

Shareholder	*Registered Holder(s) Nominees*	*Number of shares*	*% of issued share capital*
Hargreaves Lansdown	Various Nominee Accounts	11,880,947	9.42
Alliance Trust Savings	Alliance Trust Savings Nominees	11,767,581	9.33
Brewin Dolphin	Various Nominee Accounts	11,431,140	9.14
Investec Wealth& Investment	Various Nominee Accounts	8,484,046	6.72
Rathbones	Various Nominee Accounts	6,788,283	5.38
Charles Stanley	Rock Nominees	4,590,725	3.64
Aberdeen Asset Management	Various Nominee Accounts	4,463,053	3.54
Brewin Dolphin (ND)	Various Nominee Accounts	3,976,885	3.15

The Company is not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company. The Company is not aware of any arrangement the operation of which may at a subsequent date result in a change of control of the Company. The Company's major Shareholders do not have any different voting rights from other Shareholders.

10.6 ***Related party transactions***

The Company was not a party to, nor had any interest in, any related party transaction (as defined in the standards adopted according to the Regulation (EC) No. 1606/2002) at any time during the three financial years to 30 September 2015 or during the period 1 October 2015 to the close of business on 11 December 2015 (being the latest practicable date before publication of this Prospectus).

11. Share options

At the date of this Prospectus no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

12. Material Contracts

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which the Company is a party, for the two years immediately preceding publication of this Prospectus or which contains any provision under which the Company or its subsidiary has any obligation or entitlement which is material to them at the date of this Prospectus.

12.1 ***The Management Administrative and Secretarial Services Agreement and the AIFM Agreement***

Under a Management, Administrative and Secretarial Services Agreement dated 4 April 2007, amended by way of a letter agreement dated 23 January 2009 Frostrow, among other things,

managed and provided specialist management, administrative, marketing and company secretarial services to the Company. A periodic fee was payable by the Company to Frostrow of 0.15 per cent. per annum of the Company's market capitalisation. Frostrow was also entitled to an annual fixed fee of £70,000 calculated monthly and payable monthly in arrears. Dependent on the level of performance achieved, Frostrow was also entitled to the payment of a performance fee. The calculation basis of the performance fee was by reference to the annual increase in the Company's adjusted market capitalisation per share, but only after attainment of an absolute return hurdle, which is the sum of the increase in the RPI in the year, plus a fixed return of 6 per cent. The performance fee was calculated annually and based on 15 per cent. of the outperformance per share over the absolute return hurdle. Frostrow received 15 per cent. of any performance fee payable.

In order to enable the Company's relationship with Frostrow to be compliant with the AIFM Directive, the Management, Administrative and Secretarial Services Agreement was terminated and replaced by the AIFM Agreement on 21 July 2014, on the terms of which Frostrow was appointed to act as the alternative investment fund manager pursuant to the AIFM Rules and provide risk management and portfolio management services pursuant to Regulation 4(2) of the AIFM Regulations, subject to the policies and restrictions of the Directors of the Company and among other things, provide specialist management, administrative, marketing and company secretarial services.

Under the terms of the AIFM Agreement, Frostrow is entitled to be reimbursed, on invoice, in respect of all commissions, transfer and registration fees, stamp duty and similar liabilities, the fees of any of its duly appointed advisers and any other costs properly incurred in the performance of its duties as an alternative investment fund manager under the AIFM Agreement. This does not include fees payable to the Portfolio Manager or to any other person to whom any of the services by Frostrow to be provided under this Agreement are outsourced.

A periodic fee is payable by the Company to Frostrow of 0.15 per cent. per annum of the adjusted market capitalisation of the Company (calculated in accordance with the AIFM Agreement). The AIFM is also entitled to an annual fixed fee of £70,000 calculated monthly and payable monthly in arrears.

Frostrow, under the terms of the AIFM Agreement provides *inter alia* the following services:

(a) risk management and portfolio management services pursuant to Regulation 4(2) of the AIFM Regulations, including the implementation of adequate risk management systems to identify, measure, manage and monitor, as appropriate, all risks relevant to the Company's investment strategy and which the Company is or may be exposed and ensuring that the Company's risk management policy and its implementation comply with the AIFM Rules;

(b) monitoring the compliance by the Portfolio Manager with the Company's investment objective and investment policy and reporting any non-compliance in a timely fashion to the Portfolio Manager and the Board;

(c) determining the Net Asset Value per Ordinary Share in accordance with the AIFM Rules, this Prospectus and the Articles;

(d) maintenance of professional indemnity insurance at the level required under the AIFM Rules in order to cover potential liability risks arising from professional negligence;

(e) marketing and shareholder services;

(f) company secretarial and administrative services;

(g) advice and guidance in respect of corporate governance requirements;

(h) performance measurement reports;

(i) maintenance of adequate accounting records and management information;

(j) preparation and despatch of the audited annual financial statements, the unaudited interim report and the monthly fact sheets; and

(k) attending to general tax affairs where necessary.

The AIFM Agreement may be terminated by either party giving to the other not less than 12 months' written notice, except in any of the following circumstances, in which the Company is entitled summarily to terminate the AIFM Agreement by notice in writing:

(a) If the AIFM shall commit any material or persistent breach of or shall omit to observe any of the material obligations on its part contained in the AIFM Agreement and shall have failed (within 30 days after having been required in writing by the Company so to do) to remedy such breach, if capable of remedy, to the satisfaction of the Company;

(b) if the AIFM has a receiver appointed of the whole or any part of its undertaking or if any order is made or an effective resolution passed for the winding up of the AIFM (save for the purpose of and followed by an amalgamation or reconstruction) or if an Administration Order is made or a voluntary arrangement comes into effect under the Insolvency Act 1986 in relation to the AIFM or if a distress or execution is levied or enforced upon or against any of the property or assets of the AIFM is not discharged or paid out within 14 days;

(c) if a person or a group of persons acting in concert (as defined in the City Code on Takeovers and Mergers) acquires more than 50 per cent. of the votes normally exercisable at general meetings of the AIFM;

(d) if Alastair Smith (or any approved replacement) ceases for any reason to co-ordinate the provision of the AIFM's services under the AIFM Agreement and is not within 120 days of such cessation replaced by an individual approved by the Board; or

(e) if Frostrow should cease to be regulated by the FCA as an alternative investment fund manager under the AIFM Rules and FSMA or other rules made pursuant to FSMA.

The AIFM Agreement may be terminated by Frostrow with immediate effect from the time at which notice of termination is given or, if later, the time at which such notice is expressed to take effect, by notice in writing to the Company, in any of the following events:

(a) if the Company shall commit any material or persistent breach of or shall omit to observe any of the material obligations on its part contained in the AIFM Agreement and shall have failed (within 30 days after having been required by the AIFM to do so) to remedy such breach, if capable of remedy, to the satisfaction of the AIFM;

(b) an order has been made or an effective resolution passed for the winding-up or liquidation of the Company due, in each case, to the insolvency of the Company;

(c) any act or omission by the Company which would cause the AIFM to be in breach of the AIFM Rules, the FCA Handbook or any other applicable legal or regulatory requirement; or

(d) if required to do so by the FCA or any other governmental or regulatory body.

(e) If the Company notifies Frostrow of a change to any value of the agreed threshold, limits and risk tolerances in relation to the Company and: (i) in the opinion of Frostrow, acting reasonably, the intended change in value is such that it would cause Frostrow to be in breach of, or otherwise become unable to comply with its obligations under, the AIFM Rules, or (ii) Frostrow, acting reasonably, determines that, taking into account all the circumstances it has been given unreasonably short notice to make such assessment; Frostrow may terminate the AIFM Agreement on the earlier of (i) the date on which the appointment of a replacement AIFM becomes effective or, (ii) the business day prior to the effective date on which such adjusted values are disclosed to any third party by the Company or on the Company's request, provided that prior to termination Frostrow has used all reasonable endeavours to consult fairly with the Company.

(f) If Frostrow notifies the Company of any proposed change to any value of the agreed thresholds, limits and risk tolerances in relation to the Company and expressly required by the FCA or any applicable legal or regulatory requirements and the Company has not agreed to the proposed change within a reasonable time, then the AIFM may terminate the AIFM Agreement at the earlier of (the date on which the appointment of a replacement AIFM in respect of the Company becomes effective, or (ii) the time at which the notice of termination given by Frostrow is expressed to take effect.

The AIFM Agreement may be summarily terminated by either party by notice in writing if following:

(a) termination of the Portfolio Management Agreement, the parties are unable to agree within four calendar months of such termination alternative arrangements for the provision of day-to-day portfolio management services with respect to the Company's portfolio of investments and the timetable for implementing such alternative arrangements; or

(b) suspensions of the performance by the Portfolio Manager of its functions in accordance with the Portfolio Management Agreement, the parties are unable to agree within four calendar months of the commencement of such suspension whether the Portfolio Management Agreement should be terminated or, if so, how day-to-day portfolio management services will be provided with respect to the Company's portfolio of investments following such termination and the timetable for implementing such alternative arrangements.

The AIFM Agreement contains an indemnity in favour of Frostrow against all claims by third parties which may be made against Frostrow in connection with its services under the AIFM Agreement, except to the extent that the claim is due to any breach of the AIFM Agreement by Frostrow or its employees or agents, breach of rules of any competent regulatory authority, breach of any statutory duty or the negligence, wilful default or fraud of Frostrow or its employees or delegates (other than the Portfolio Manager with respect to functions delegated to it under the Portfolio Management Agreement) or any employee of such person.

Under the terms of the AIFM Agreement, subject to its duties under the AIFM Rules, Frostrow is entitled to carry on business similar to, or in competition with, the Company or to provide similar services or any other services whatsoever to any other customer without accounting to the Company for its profits.

In the year ended 30 September 2015 the fees payable under the AIFM Agreement amounted to £1,000,000 (excluding VAT).

12.2 ***Investment management agreement and Portfolio Management Agreement***

Lindsell Train acted as the investment manager under an investment management agreement dated 4 April 2007, amended by way of a letter agreement dated 23 September 2010. Under the terms of the investment management agreement, Lindsell Train provided discretionary investment management services to the Company for a periodic fee equal to 0.45 per cent. per annum of the Company's market capitalisation. Dependent on the level of performance achieved, Lindsell Train were entitled to the payment of a performance fee. The calculation basis of the performance fee was by reference to the annual increase in the Company's adjusted market capitalisation per share, but only after attainment of an absolute return hurdle, which is the sum of the increase in the RPI in the year, plus a fixed return of 6 per cent. The performance fee was calculated annually and based on 15 per cent. of the outperformance per share over the absolute return hurdle. Lindsell Train were entitled to receive 85 per cent. of any performance fee payable.

In order to enable the Company's relationship with Frostrow and Lindsell Train to be compliant with the AIFM Rules, the investment management agreement dated 4 April 2007 was terminated and replaced with the Portfolio Management Agreement on 21 July 2014.

Under the terms of the Portfolio Management Agreement between the Company, AIFM and the Portfolio Manager, the Portfolio Manager, acting as a delegate of the AIFM provides discretionary investment management services to the Company for a periodic fee equal to 0.45 per cent. per annum of the adjusted market capitalisation of the Company (calculated in accordance with the Portfolio Management Agreement).

The Portfolio Manager under the terms of the Portfolio Management Agreement provides *inter alia* the following services:

(a) seeking out and evaluating investment opportunities;

(b) recommending the manner by which monies should be invested, disinvested, retained or realised;

(c) advising on how rights conferred by the investments should be exercised;

(d) analysing the performance of investments made;

(e) advising the Company in relation to trends, market movements and other matters which may affect the investment policy of the Company; and

(f) marketing the shares in the Company as may be required from time to time, subject to the FSMA and the FCA rules.

Each of the parties may terminate the Portfolio Management Agreement, by not less than 12 months' notice in writing. The AIFM may, by notice in writing to the Portfolio Manager and the Company, summarily either (a) with the consent of the Company terminate the Portfolio Management Agreement; or (b) in consultation with the Company, suspend the performance of the Portfolio Manager's functions, in certain prescribed circumstances, including:

(a) if Lindsell Train commits any material or persistent breach of or omits to observe any of the material obligations on its part contained in the Portfolio Management Agreement and (if such breach is capable of remedy) fails (within 30 days after having been required by the Company so to do) to remedy such breach to the satisfaction of the Company;

(b) where the AIFM (acting reasonably) determines it is in the best interests of investors in the Company;

(c) in the event that the AIFM (acting reasonably) determines that the Portfolio Manager is no longer able to carry out the obligations under the Portfolio Management Agreement effectively or in compliance with applicable laws and regulations;

(d) if the Board and the Portfolio Manager do not consent promptly to any adjustment to the extent to which Frostrow delegates its portfolio management functions to the Portfolio Manager under the Portfolio Management Agreement;

(e) if Nick Train or any replacement approved in accordance with the Portfolio Management Agreement ceases to be available to perform the services set out in the Portfolio Management Agreement and the Portfolio Manager fails to provide a replacement approved by the Company and Frostrow within 120 days;

(f) if a Non-Permitted Controller or Non-Permitted Controllers (as defined in the Portfolio Management Agreement) shall acquire at least 50 per cent. of the votes normally exercisable at general meetings of the Portfolio Manager in which event the right of the Company to terminate this Agreement summarily must be exercised by giving notice to the Portfolio Manager not later than 90 days after the Board is made aware that a Non-Permitted Controller or Non-Permitted Controllers has or have acquired at least 50 per cent. of the votes normally exercisable at general meetings of the Portfolio Manager;

(g) if Frostrow or the Company is required by a relevant regulatory authority to suspend or terminate the delegation of functions to the Portfolio Manager; or

(h) if the Portfolio Manager shall have a receiver appointed of the whole or any part of its undertaking or if any order is made or effective resolution passed for its winding up or if an Administration Order is made or a voluntary arrangement comes into effect under the Insolvency Act 1986 in relation to the Portfolio Manager or if a distress or execution shall be levied or enforced upon or against any of the property or assets of the Portfolio Manager and shall not be discharged or paid out within 14 days.

In the following circumstances the Portfolio Manager is entitled to terminate the Portfolio Management Agreement summarily by notice in writing to the Company and Frostrow:

(a) the Company or Frostrow has a receiver appointed of the whole or any part of its undertaking;

(b) any order is made or an effective resolution passed for the winding up of the Company or Frostrow (save for the purpose of and followed by an amalgamation or reconstruction (provided that the Company or Frostrow (as applicable) is solvent);

(c) an Administration Order is made or a voluntary arrangement comes into effect under the Insolvency Act 1986 in relation to the Company or Frostrow;

(d) a distress or execution is levied or enforced upon or against any of the property or assets of the Company or Frostrow and not discharged or paid out within 14 days; or

(e) if Frostrow notifies the Portfolio Manager of a change in the AIFM Rules or other applicable law or regulation and the Portfolio Manager (acting reasonably and in good faith) determines that it cannot comply with that change it shall, having consulted with the Company and Frostrow have the right to terminate the Portfolio Management Agreement on notice in writing to the Company and Frostrow, with effect from the date upon which the relevant change enters into force,

in circumstances where one of the above termination events relates only to Frostrow, the Company may notify the Portfolio Manager that it wishes the Portfolio Management Agreement to continue between them.

The Portfolio Management Agreement automatically terminates on the termination of the AIFM Agreement unless the Company (in its absolute discretion) serves notice on Frostrow and the Portfolio Manager requiring the (i) Portfolio Management Agreement to continue in full force and effect as between the Company and the Portfolio Manager; or (ii) the novation of the Portfolio Management Agreement by Frostrow to a third party selected by the Company.

The Portfolio Management Agreement contains an indemnity in favour of the Portfolio Manager against all claims by third parties which may be made against the Portfolio Manager in connection with any action properly taken in accordance with the Portfolio Management Agreement, except to the extent that the claim is due to the negligence, wilful default or fraud of the Portfolio Manager or its employees or any material breach of the Portfolio Management Agreement by the Portfolio Manager.

Provided its ability to perform its obligations under the Portfolio Management Agreement is not impaired, the Portfolio Manager is entitled to carry on any business similar to, or in competition with, the Company or to provide similar services or any other services whatsoever to any other customer without accounting to the Company for its profits. However, the Portfolio Manager may not without the prior written consent of the Company provide portfolio management or investment advisory services to any other closed-ended investment company of any description with the objective of investing predominantly in the equity capital of UK companies.

The Portfolio Management Agreement makes it clear that the Portfolio Manager is permitted, subject to the overriding principles of suitability and best execution, to effect transactions in which the Portfolio Manager or any of its associates has, directly or indirectly, a material interest or a relationship of any description with another party which may involve a potential conflict of interest with the Portfolio Manager's duty to the Company, again without being liable to account to the Company for its profits, provided, *inter alia*, that where there is such a conflict it uses its best endeavours acting in compliance with the AIFM Rules to ensure that the terms of the relevant transaction are no less favourable to the Company than if the conflict had not existed and that it discloses all such transactions to the Company.

In the year ended 30 September 2015 the fees payable under the Portfolio Management Agreement amounted to £2,793,000 (excluding VAT).

12.3 ***Custody agreement and Depositary Agreement***

The Custodian's London and Brussels branches acted as custodian for the Company under a custody agreement entered into in December 1997. The Custodian is a company incorporated under the laws of the United States. Its headquarters are in New York, USA, and it is registered as a branch in England and Wales with registration number: BR000818 on 1 June 1965 and as a company in England and Wales with registered number: FC005522 on 11 September 1964.

In order to enable the Company, Frostrow and the Depositary to be compliant with the AIFM Directive, the custody agreement entered into in December 1997 was terminated and replaced by the Depositary Agreement between Frostrow, the Company and the Depositary on 21 July 2014 under which BNY Mellon Trust & Depositary (UK) Limited acts as Depositary for the Company. The Depositary is a company incorporated in England and Wales with registration number

03588038. The Depositary is authorised and regulated by the FCA under FSMA with firm reference number: 188432.

Under the terms of the Depositary Agreement the Depositary performs safekeeping, cash flow monitoring and oversight services in accordance with the AIFM Rules. The fees of the Depositary are paid by the Company. In the year ended 30 September 2015 these fees amounted to £101,000 exclusive of VAT. The Depositary may not use or re-use the Company's securities or other investments without the prior consent of the Company.

The Depositary Agreement contains an indemnity granted by the Company in favour of:

(i) the Depositary and its employees, officers and directors from any and all reasonable costs, liabilities and expenses resulting from them acting as agent of the Company, other than in the case of fraud, negligence, intentional failure or in the event this indemnification would be contrary to mandatory provisions of the AIFM Directive; and

(ii) the Depositary and its delegates and its delegates' agents and correspondents from any and all taxes, charges, expenses (including reasonable legal fees), assessments, claims or liabilities arising directly in connection with the performance of the Depositary Agreement (except such as may arise from its or their negligent action, failure to exercise reasonable care in the performances of services under the Depositary Agreement or wilful misconduct or in the case of any liability imposed by mandatory law).

Under the terms of the Depositary Agreement, any party may, by giving to the other parties not less than 90 days' notice in writing, terminate the Depositary Agreement provided that the Depositary Agreement shall not terminate until a new depositary is appointed.

The Depositary Agreement may also be terminated by any party immediately by notice in writing to the other parties where:

(i) another party becomes subject to certain prescribed events of insolvency;

(ii) another party ceases to be licensed for its activity under the Depositary Agreement or ceases to have approval(s) by applicable governmental institutions that are required for its activities; or

(iii) another party materially defaults on its obligations under the Depositary Agreement and such default is not remedied within 30 days upon notice from another party.

The Depositary has delegated custody of the Company's securities and other investments to the Custodian who may, subject to compliance with the terms of the Depositary Agreement and the AIFM Rules, in turn sub-delegate custody to any of its branches and, subject to its duty to exercise reasonable care in their selection and continued appointment, to cause those investments to be held by any other institution acting as securities depositary, clearing house or system or custodian on such terms as it may require.

The Depositary is liable for the acts and omissions of any sub-custodian. The applicable sub-custodians as at the date of this document who might be relevant for the purposes of holding the Company's investments are:

Country	*Name of sub-custodian*	*Regulator*
The Netherlands	The Bank of New York Mellon SA/NV	National Bank of Belgium, Financial Services and Markets Authority (FSMA)
Canada	CIBC Mellon Trust Company	Office of the Superintendent of Financial Institutions
United States of America	The Bank of New York, New York	Federal Reserve Bank of New York, New York State Banking Department and the Federal Deposit Insurance Corporation (FDIC)
France	BNP Paribas Securities Services	The Banque de France

12.4 ***Limited Liability Partnership Deed***

The Limited Liability Partnership Deed governs Frostrow Capital LLP (in this section only the "**LLP**"). In accordance with the Limited Liability Partnership Deed, the Company acquired a 10 per cent. interest in the LLP at a cost of £150,000 in 2007, of which £75,000 was repaid to the Company by the LLP in 2008.

Under the terms of the Limited Liability Partnership Deed, the Company agrees to provide capital to Frostrow to enable it to satisfy the AIFMD Capital Requirement, subject to a maximum of £500,000 in aggregate. The Company is designated an "AIFMD Member" in respect of the capital that it contributes to Frostrow in order for Frostrow to satisfy the AIFMD Capital Requirement. In return, the Company receives the AIFMD Priority Return, as a first charge on Frostrow's profits. The AIFMD Priority Return is reviewed annually, but may not be amended without the prior written consent of the Company, for so long as it provides capital to enable Frostrow to meet the AIFMD Capital Requirement. The Company may cease to be an AIFMD Member by giving written notice to Frostrow of not less than 9 calendar months following 18 December 2015. Frostrow may remove the Company as an AIFMD Member by giving one months' written notice, or in certain prescribed circumstances, with immediate effect.

The LLP will terminate and dissolve upon the occurrence of any of the following events, but the Limited Liability Partnership Agreement will not terminate until the affairs of the LLP have been wound up:

(a) a determination by three quarters in number of the members of the LLP to dissolve the LLP;

(b) the LLP ceasing to be authorised by the FCA or any other regulatory body in the United Kingdom having principal responsibility for the supervision of its affairs if the LLP is at the relevant time required to have any such authorisation in order to carry on the LLP's business; or

(c) the occurrence of any event which shall make it unlawful for the LLP to be continued.

If the LLP is dissolved, no member or former member of the LLP will be liable to contribute further to the assets of the LLP other than as required by law.

The Limited Liability Partnership Deed sets out that the members to the LLP will not receive interest on their capital contributions and may be required to make further contributions.

The members of the LLP do not have the right directly or indirectly to withdraw or receive back any part of the amount standing to the credit of their capital contribution account except in the following circumstances:

(a) where a member ceases to be a member and an equal amount is contributed to the capital contribution accounts of the remaining members;

(b) upon termination and dissolution of the LLP and the LLP having ceased to be authorised to carry on regulated activities; or

(c) where a member ceases to be a member where the LLP will, notwithstanding such payment, remain in compliance with applicable prudential requirements relating to partnership capital.

The Limited Liability Partnership Deed contains an indemnity that each member of the LLP and its officers, directors, and employees and each person, if any, who controls a member is entitled to be indemnified from and out of the assets of the LLP from and against any loss, liability, damage, cost, or expense actually and reasonably incurred arising from actions or omissions concerning the business of the LLP or activities undertaken by or on behalf of the LLP (otherwise than when due to the bad faith, recklessness, gross negligence or wilful default of the indemnified party, or due to breaches of any of the provisions of the Limited Liability Partnership Deed by the indemnified party, or due to the indemnified party not having acted in good faith in the reasonable belief that its actions were in, or not opposed to, the best interests of the LLP).

13. Taxation

13.1 ***Introduction***

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

There may be other tax consequences of an investment in the Company and all shareholders or potential investors, in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately.

13.2 ***The Company***

It is the intention of the Directors to conduct the affairs of the Company so as to continue to satisfy the conditions for it to qualify as an investment trust under Chapter 4 of Part 24 Corporation Tax Act 2010. In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust, the Company will be exempt from UK taxation on its capital gains. The Company will, however, be liable to UK corporation tax on its income in the normal way.

From 1 July 2009 the rules relating to the taxation of foreign profits were revised such that overseas dividend income received after that date will in most cases be exempt from UK corporation tax. Income arising from any overseas investments may be subject to foreign withholding tax at the relevant jurisdiction's applicable rate, but relief may be available under the terms of an applicable double tax treaty.

13.3 ***Shareholders***

13.3.1 *Taxation of capital gains*

Depending on their personal circumstances, individual Shareholders, or Shareholders who are not within the charge to United Kingdom corporation tax, who are resident in the United Kingdom for taxation purposes may be subject to capital gains tax in respect of any gain arising on a disposal of their Ordinary Shares. The current rate of capital gains tax is 18 per cent. for basic rate taxpayers and 28 per cent. for higher or additional rate taxpayers. No indexation allowance is available to such holders, but Shareholders may be entitled to an annual exemption from capital gains (for the tax year 2015/2016, this is £11,100).

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

Shareholders within the charge to United Kingdom corporation tax may be liable to United Kingdom corporation tax on chargeable gains on a disposal of the Ordinary Shares. Indexation allowance may be available to reduce the amount of any chargeable gain (but cannot be used to create or increase an allowable loss).

13.3.2 *Taxation of dividends*

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

Until 5 April 2016

An individual Shareholder who is resident in the United Kingdom (for tax purposes) and who receives a dividend from the Company should be entitled to a tax credit which may be

set off against the Shareholder's total income tax liability on the dividend. The tax credit will be equal to 10 per cent. of the aggregate of the dividend and the tax credit (the "gross dividend"), which is also equal to one-ninth of the cash dividend received.

A United Kingdom resident individual Shareholder who is liable to income tax at the basic rate will be subject to tax on the dividend at the rate of 10 per cent. of the gross dividend, so that the tax credit will satisfy in full such Shareholder's liability to income tax on the dividend.

A higher rate of income tax of 40 per cent. applies to United Kingdom resident individuals with taxable non-savings and savings income above £31,785 (for the tax year 2015/2016). The rate of income tax that applies to dividends received by a United Kingdom resident individual Shareholder who is liable to income tax at the higher rate will be 32.5 per cent. In such circumstances, the tax credit will be set against but not fully match the Shareholder's tax liability on the gross dividend and such Shareholder will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the cash dividend received) to the extent that the gross dividend when treated as the top slice of the Shareholder's income falls above the threshold for higher rate income tax.

An additional rate of income tax of 45 per cent. applies to United Kingdom resident individuals with taxable non-savings and savings income above £150,000 (for the tax year 2015/2016). The rate of income tax that applies to dividends received by a United Kingdom resident individual Shareholder who is liable to income tax at the additional rate will be 37.5 per cent. In such circumstances, the tax credit will be set against but not fully match the Shareholder's tax liability on the gross dividend and such Shareholder will have to account for additional tax equal to 27.5 per cent of the gross dividend (which is also equal to approximately 30.6 per cent. of the cash dividend received) to the extent that the gross dividend when treated as the top slice of the Shareholder's income falls above the threshold for additional rate income tax.

There will be no repayment of the tax credit (or any part of it) to an individual Shareholder whose liability to income tax on the dividend and the related tax credit (or any part of it) is less than the amount of the tax credit, including a Shareholder who holds the Ordinary Shares on which the dividend is paid through an ISA.

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

Most United Kingdom and overseas dividends received by UK corporate shareholders (subject to specific anti-avoidance rules) will be exempt from United Kingdom corporation tax. Shareholders within the charge to United Kingdom corporation tax are however advised to consult their professional advisers in relation to the tax implications of dividends received. Such Shareholders will not be able to claim repayment of tax credits attaching to dividends.

Non-United Kingdom resident Shareholders will not generally be able to claim repayment from HMRC of any part of the tax credit attaching to dividends paid by the Company. A Shareholder resident outside the United Kingdom may also be subject to foreign taxation on dividend income under local law. Shareholders who are not resident in the United Kingdom (for tax purposes) should obtain their own tax advice concerning tax liabilities on dividends received from the Company.

From 6 April 2016

The United Kingdom Government has announced that, from 6 April 2016, the first £5,000 of dividends received (or deemed to be received) by UK residents will not be subject to income tax.

Above this level, the income rates applying to dividends will be 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers.

In tax year 2016/2017, higher rate will apply to taxable income above £32,000 and additional rate tax (as in 2015/2016) to taxable income above £150,000.

There will no longer be an income tax credit attached to dividends.

Shareholders subject to United Kingdom corporation tax will continue to be exempt from corporation tax on most United Kingdom and overseas dividends as present.

13.3.3 *Stamp duty and stamp duty reserve tax*

Transfers on sale of Ordinary Shares in the Company will generally be subject to United Kingdom stamp duty at the rate of 0.5 per cent. of the amount or value of the consideration given for the transfer (rounded up to the next £5). The purchaser normally pays the stamp duty.

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

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

13.4 ***ISAs***

The Ordinary Shares should be eligible to be held in the stocks and shares component of an ISA or Junior ISA, subject to applicable annual subscription limits.

Between 6 April 2013 and 1 July 2014 the annual subscription limits for an ISA and for a Junior ISA were £11,880 and £3,840 respectively for the tax year 2014/2015. However with effect from 1 July 2014, ISAs have been reformed into a simpler product and all ISAs from that date became 'New ISAs'. This applies to all existing ISAs and new accounts opened after 1 July. As part of this reform, the annual subscription limits have been increased to £15,000 for an ISA and £4,000 for the Junior ISA for the tax year 2014/2015.

Investments held in ISAs or Junior ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in Ordinary Shares through an ISA is generally restricted to certain UK resident individuals aged 18 or over. Junior ISAs are available for UK resident children aged under 18 and born before 1 September 2002 or after 2 January 2011. Sums received by a Shareholder on a disposal of Ordinary Shares held within an ISA or Junior ISA will not count towards the Shareholder's annual limit. Individuals wishing to invest in Ordinary Shares through an ISA should contact their professional advisers regarding their eligibility as should individuals wishing to invest through a Junior ISA for children under 18 years old.

13.5 ***Self-Invested Personal Pensions (SIPPs)***

The Ordinary Shares in the Company should constitute permitted investments for SIPPs.

13.6 ***International tax reporting (including United States FATCA)***

In order to comply with the legislation implementing the United Kingdom's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including the United States provisions commonly known

as FATCA), the Company will collect and report information about Shareholders for this purpose, including information to verify their identity and the tax status.

When requested to do so by the Company, Shareholders must provide information to be passed on to HM Revenue & Customs, and to any relevant overseas tax authorities.

For the purposes of the various international reporting regimes regulations the Company is a United Kingdom Financial Institution (and it is registered for United States FATCA purposes with Global Intermediary Identification Number QH4BH.99999.SL.826).

14. Litigation

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issue is aware) during the 12 months immediately preceding the date of this document which may have, or have had, in the recent past significant effects on the Company or the Company's financial position or profitability.

15. No significant change

There has been no significant change in the financial or trading position of the Company since 30 September 2015, being the date to which the latest audited financial information of the Company was published.

16. Third party information and consents

Winterflood Investment Trusts, as sponsor and corporate broker, has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which it appears.

In relation to information provided by Morningstar UK, the Company confirms that the information has been accurately reproduced and as far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the information reproduced inaccurate or misleading.

17. General

The Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.

The Company has no subsidiaries.

18. Auditor

The auditor of the Company for the financial year ended 30 September 2015 was PricewaterhouseCoopers LLP of 7 More London, Riverside, London SE1 2RT.

19. Working Capital

In the Company's opinion, the Company has sufficient working capital for its present requirements, that is for at least 12 months following the date of this Prospectus.

20. Capitalisation and indebtedness

The following table shows, sourced from the Company's internal accounting records, the Company's unaudited indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at the close of business on 11 December 2015 (being the latest practicable date prior to the publication of this Prospectus) and the Company's audited capitalisation as at 30 September 2015 (being the last date in respect of which the Company has published financial information).

	11 December 2015 *£'000*
Total current debt	
Guaranteed	0
Secured	0
Unguaranteed/unsecured	0
Total current debt	0
Non-current debt (excluding current portion of long-term debt)	
Guaranteed	0
Secured	29,000
Unguaranteed/unsecured	0
Total non-current debt	29,000

	30 September 2015 *£'000*
Shareholders' equity	
Share capital	30,241
Legal reserve	0
Other reserves*	630,231
Total Shareholders' equity*	660,472

*Excludes the Company's revenue reserve

As at close of business on 11 December 2015 (being the latest practicable date prior to the publication of this Prospectus), there has been no material change in the audited capitalisation of the Company as at 30 September 2015 (being the last date in respect of which the Company has published financial information).

The following table shows, sourced from its internal accounting records, the Company's unaudited net indebtedness as at the close of business on 11 December 2015 (being the latest practicable date prior to the publication of this Prospectus). There is no secured or guaranteed indebtedness.

	11 December 2015 *£'000*
Cash	1,507
Cash equivalent	0
Trading Securities	0
Liquidity (A+B+C)	1,507
Current financial receivables	0
Current bank debt	0
Current position of non-current debt	0
Other current financial debt	0
Current financial debt (F+G+H)	0
Net current financial indebtedness (I-E-D)	0
Non-current bank loans	29,000
Bonds issued	0
Other non-current loans	0
Non-current loans (K+L+M)	29,000
Net financial indebtedness (J+N)	27,493

There are no indirect or contingent liabilities.

21. Overseas investors

If you receive a copy of the Prospectus in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you. It is your responsibility, if you are outside the United Kingdom and wishing to make an application for Ordinary Shares, to satisfy yourself that you have fully observed the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory. The Company reserves the right, in its absolute discretion, to reject any application received from outside the United Kingdom.

Without limiting the above, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within Canada, Australia, the Republic of South Africa, Japan or in the United States except in reliance on, or in a transaction not subject to, the registration requirements under the Securities Act or other relevant legislation. If you subscribe for Ordinary Shares you will, unless the Company agrees otherwise in writing, be deemed to represent and warrant to the Company and its agents that you are not in Canada, Australia, the Republic of South Africa, Japan or the United States. No application will be accepted if it bears an address in Canada, Australia, the Republic of South Africa, Japan or the United States or appears to have been posted from Canada, Australia, the Republic of South Africa, Japan or the United States or otherwise where there is cause to believe you are in Canada, Australia, the Republic of South Africa, Japan or the United States.

22. Fair Treatment of Investors

The AIFM has established procedures, arrangements and policies to ensure compliance with the principles more particularly described in the AIFM Rules relating to the fair treatment of investors. The principles of treating investors fairly include, but are not limited to:

- acting in the best interests of the Company and of the Shareholders;
- ensuring that the investment decisions taken for the account of the Company are executed in accordance with the Company's investment policy and objective and risk profile;
- ensuring that the interests of any group of Shareholders are not placed above the interests of any other group of Shareholders;
- ensuring that fair, correct and transparent pricing models and valuation systems are used for the Company;
- preventing undue costs being charged to the Company and Shareholders;
- taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of Shareholders; and
- recognising and dealing with complaints fairly.

The AIFM maintains and operates organisational, procedural and administrative arrangements and implements policies and procedures designed to manage actual and potential conflicts of interest. In addition, as its Ordinary Shares are admitted to the Official List, the Company is required to comply with, among other things, the FCA's Listing Rules and Disclosure and Transparency Rules and the Takeover Code, all of which operate to ensure the fair treatment of investors.

23. Availability of Prospectus

A copy of this Prospectus will be available for inspection at The National Storage Mechanism which is located at www.morningstar.co.uk/nsm, and for as long as Ordinary Shares are available for issue under this Prospectus, copies of this Prospectus are available for collection, free of charge from the offices of Frostrow Capital LLP, 25 Southampton Buildings, London, WC2A 1AL. The Prospectus will also be available on the Company's website – www.finsburygt.com.

24. Documents on display

The following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Frostrow Capital LLP, 25 Southampton Buildings, London, WC2A 1AL, from 15 December 2015 for the period of 12 months from the date of this Prospectus:

24.1 this Prospectus dated 15 December 2015;

24.2 the Articles of Association of the Company;

24.3 the New Articles together with a marked up copy showing the proposed amendments to the Articles;

24.4 the audited accounts of the Company for the financial years ended 30 September 2013, 2014 and 2015; and

24.5 the material contracts referred to in paragraph 12 of Part 8 of this Prospectus.

PART 9:

TERMS AND CONDITIONS OF APPLICATION UNDER THE PLACING PROGRAMME

1. Introduction

Each placee which confirms its agreement to the Company or its agent to subscribe for Ordinary Shares under the Placing Programme will be bound by these terms and conditions and will be deemed to have accepted them.

The Company and/or its agent may require any placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it/they (in its/their absolute discretion) sees fit.

2. Agreement to Subscribe for Ordinary Shares

Conditional on (i) the Company or its agent confirming to the placees their allocation of Ordinary Shares; (ii) Shareholder authority for the disapplication of pre-emption rights in respect of the relevant allotment being in place; and (iii) the Placing Price being determined by the Directors in accordance with paragraph 6 of Part 5 of this document, a placee agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares allocated to it by the Company or its agent at the Placing Price. To the fullest extent permitted by law, each placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the placee may have.

3. Payment for Ordinary Shares

Each placee must pay the Placing Price for the Ordinary Shares issued to the placee in the manner and by the time directed by the Company or its agent. If any placee fails to pay as so directed and/or by the time required, the relevant placee's application for Ordinary Shares shall be rejected.

4. Representations and Warranties

By agreeing to subscribe for Ordinary Shares, each placee which enters into a commitment to subscribe for Ordinary Shares will (for itself and any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be deemed to represent and warrant to each of the Company and any agent of the Company that:

(a) in agreeing to subscribe for Ordinary Shares under 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 anytime, by any person concerning the Company and/or the Placing Programme. It agrees that none of the Company, the Portfolio Manager, the AIFM or Winterflood, nor any of their respective officers, agents, 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;

(b) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Ordinary Shares under 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, Winterflood 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 Placing Programme;

(c) it has carefully read and understands this Prospectus in its entirety and acknowledges that it is acquiring Ordinary Shares on the terms and subject to the conditions set out in this Part 9 and the Articles as in force at the date of admission of the relevant Ordinary Shares;

(d) it has not relied on Winterflood or any person affiliated with Winterflood in connection with any investigation of the accuracy of any information contained in this Prospectus;

(e) the content of this Prospectus is exclusively the responsibility of the Company and its Directors and neither Winterflood nor any other agent of the Company nor any person acting on its 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 Placing Programme based on any information, representation or statement contained in this Prospectus or otherwise;

(f) it acknowledges that no person is authorised in connection with 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 Winterflood, the Company, the AIFM, the Portfolio Manager or any other agent of the Company;

(g) 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 (depositary receipts and clearance services) of the Finance Act 1986;

(h) it accepts that none of the Ordinary Shares have been or will be registered under the laws of the United States, Canada, Australia, the Republic of South Africa or Japan. Accordingly, the Ordinary Shares may not be offered, sold, issued or delivered, directly or indirectly, within any of United States, Canada, Australia, the Republic of South Africa or Japan unless an exemption from any registration requirement is available;

(i) if it is within the United Kingdom, it is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or is a person to whom the Ordinary 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 Ordinary Shares may be lawfully offered under that other jurisdiction's laws and regulations;

(j) if it is resident in the EEA (other than in the United Kingdom), 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;

(k) in the case of any Ordinary Shares acquired by an investor as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive 2010/73/EU (i) the Ordinary Shares acquired by it in 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 relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive 2010/73/EU, or in circumstances in which the prior consent of Winterflood has been given to the offer or resale; (ii) where Ordinary Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those Ordinary Shares to it is not treated under the Prospectus Directive as having been made to such persons;

(l) if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Placing Programme constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Ordinary Shares pursuant to 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 Ordinary 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;

(m) 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 Ordinary Shares and it is not acting on a non-discretionary basis for any such person;

(n) 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 Ordinary Shares under the Placing Programme and will not be any such person on the date any such agreement to subscribe under the Placing Programme is accepted;

(o) it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other offering materials concerning, the Placing Programme or the Ordinary Shares to any persons within the United States or to any U.S. Persons, nor will it do any of the foregoing;

(p) it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading "United States Purchase Transfer Restrictions" in paragraph 5, below;

(q) it acknowledges that neither Winterflood nor any other agent 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 Placing Programme or providing any advice in relation to the Placing Programme and participation in the Placing Programme is on the basis that it is not and will not be a client of Winterflood or any other agent of the Company and that Winterflood or such agent does not have any duties or responsibilities to it for providing the protections afforded to their clients or for providing advice in relation to the Placing Programme nor in respect of any representations, warranties, undertaking or indemnities otherwise required to be given by it in connection with its application under the Placing Programme;

(r) it acknowledges that where it is subscribing for Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Ordinary 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 Placing Programme in the form provided by the Company and/or its agent. It agrees that the provision of this paragraph shall survive any resale of the Ordinary Shares by or on behalf of any such account;

(s) it irrevocably appoints any director of the Company and any director of Winterflood 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 Ordinary Shares for which it has given a commitment under the Placing Programme, in the event of its own failure to do so;

(t) it accepts that if the Placing Programme does not proceed or the conditions to the Placing Agreement are not satisfied or the Ordinary Shares for which valid applications are received and accepted are not admitted to listing on the premium segment of the Official List and to trading on the main market of the London Stock Exchange for any reason whatsoever then none of Winterflood 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;

(u) in connection with its participation in 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 Money Laundering Regulations 2007, the Proceeds of Crime Act 2002 and the Terrorism Act 2000, in each case, is amended; 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;

(v) it acknowledges that due to anti-money laundering requirements, the Company or its agent 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, the Company or its agent refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify the Company or its agent 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;

(w) it acknowledges that any person in the UK 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 Ordinary Shares) is involved in money laundering activities, is under an obligation to report such suspicion to its nominated officer, as required under the Proceeds of Crime Act 2002, as amended;

(x) it acknowledges and agrees that information provided by it to the Company or AIFM will be stored on the AIFM's computer system and manually. It acknowledges and agrees that for the purposes of the Data Protection Act 1998 (the "Data Protection Law") and other relevant data protection legislation which may be applicable, the Manager is required to specify the purposes for which it will hold personal data. The AIFM will only use such information for the purposes set out below (collectively, the "Purpose"), being to:

  (i) process its personal data (including sensitive personal data) as required by or in connection with its holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;

  (ii) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;

  (iii) provide personal data to such third parties as the AIFM may consider necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares or as the Data Protection Law may require, including to third parties outside the UK or the European Economic Area;

  (iv) without limitation, provide such personal data to the Company or the AIFM and their respective associates for processing, notwithstanding that any such party may be outside the UK or the European Economic Area; and

  (v) process its personal data for the AIFM's internal administration.

(y) in providing the AIFM with information, it hereby represents and warrants to the AIFM that it has obtained the consent of any data subjects to the AIFM 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 (x) above). For the purposes of this prospectus, "data subject" and "sensitive personal data" shall have the meanings attributed to them in the Data Protection Law;

(z) the representations, undertakings and warranties contained in this Prospectus are irrevocable. It acknowledges that the Company and its agent and their respective affiliates will rely upon the truth and accuracy of the forgoing representations and warranties and it agrees that if any of the representation or warranties made or deemed to have been made by its subscription of the Ordinary Shares are no longer accurate, it shall promptly notify the Company and its agent;

(aa) where it or any person acting on behalf of it is dealing with Winterflood, any money held in an account with Winterflood 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 Winterflood to segregate such money, as that money will be held by Winterflood under a banking relationship and not as trustee;

(bb) any of its clients, whether or not identified to Winterflood or any other agent of the Company, will remain its sole responsibility and will not become clients of Winterflood or any such agent for the purposes of the rules of the Financial Conduct Authority or for the purposes of any other statutory or regulatory provision;

(cc) it accepts that the allocation of Ordinary Shares shall be determined by the Company's agent in its absolute discretion but in consultation with the Company and that the Company's agent may scale down any Placing commitments for this purpose on such basis as it may determine; and

(dd) time shall be of the essence as regards its obligations to settle payment for the Ordinary Shares and to comply with its other obligations under the Placing Programme.

5. United States Purchase and Transfer Restrictions

By participating in the Placing Programme, each placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the AIFM, the Portfolio Manager, and any other agent of the Company that:

(a) it is not a U.S. Person and it is not acquiring the Ordinary Shares for the account or benefit of a U.S. Person;

(b) it acknowledges that the Ordinary Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or an exemption from registration under the Securities Act;

(c) it acknowledges that the Company has not registered under the Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the Investment Company Act;

(d) 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 Ordinary 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 Title I of ERISA; (it) a "plan" as defined in Section 4975 of the Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Tax Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title 1 of ERISA or Section 4975 of the Tax Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title 1 of ERISA or Section 4975 of the Tax Code, its purchase, holding, and disposition of the Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;

(e) if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act and under circumstances which will not require the Company to register under the Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;

(f) it is purchasing the Ordinary 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 Ordinary Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;

(g) it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or interests therein at any time as to such person's status under 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 U.S. securities laws to transfer such Ordinary Shares or interests in accordance with the Articles;

(h) it acknowledges and understands that the Company is required to comply with FATCA and any other similar exchange of information regime. It agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA or any other similar exchange of information regime;

(i) it further consents to allowing and authorising the Company to disclose and supply any information, forms or documentation to HMRC or any other relevant governmental authority of any jurisdiction to the extent required under FATCA (and to the extent relevant, it shall procure that the beneficial owner of the Ordinary Shares provides such consent and authorisation to the Company in respect of any such information forms or documents relating to it);

(j) it is entitled to acquire the Ordinary 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 compiled 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 Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the AIFM, the Portfolio Manager, Winterflood or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Placing Programme or its acceptance of participation in the Placing Programme;

(k) 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 Ordinary Shares to within the United States or to any U.S. Persons, nor will it do any of the foregoing; and

(l) if it is acquiring any Ordinary 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 AIFM, the Portfolio Manager, Winterflood 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.

6. Supply and Disclosure of Information

If Winterflood, the AIFM or the Company or any of their agents request any information about a placee's agreement to subscribe for Ordinary Shares under the Placing Programme, such placee must promptly disclose it to them.

7. Miscellaneous

The rights and remedies of Winterflood, the AIFM, the Company and any other agent of 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 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 Ordinary Shares, which the placee has agreed to subscribe for pursuant to the Placing Programme, have been acquired by the placee. The contract to subscribe for Ordinary Shares under the Placing Programme and the appointments and authorities mentioned in this Prospectus and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with the laws of England and Wales. For the exclusive benefit of Winterflood, the Company and the Manager, 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 Ordinary-Shares under 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.

Winterflood and the Company expressly reserve the right to modify the Placing Programme (including, without limitation, the timetable and settlement) at any time before allocations are determined.

DIRECTORS, AIFM, PORTFOLIO MANAGER, DEPOSITARY AND ADVISERS

Directors

Anthony Townsend *(Chairman)*
John Allard
Neil Collins
Simon Hayes
David Hunt, FCA
Vanessa Renwick

All of 50 Lothian Road, Festival Square, Edinburgh EH3 9WJ

Registered Office of the Company

50 Lothian Road
Festival Square
Edinburgh EH3 9WJ

Website of the Company

www.finsburygt.com

AIFM

Frostrow Capital LLP
25 Southampton Buildings
London WC2A 1AL
Telephone: +44(0)20 3008 4910
E-Mail: info@frostrow.com
Website: www.frostrow.com
Authorised and Regulated by the Financial Conduct Authority under the Financial Services and Markets Act 2000

Portfolio Manager

Lindsell Train Limited
Cayzer House
30 Buckingham Gate
London SW1E 6NN
Website: www.lindselltrain.com
Authorised and Regulated by the Financial Conduct Authority under the Financial Services and Markets Act 2000

Depositary

BNY Mellon Trust & Depositary (UK) Limited
1 Canada Square
London E14 5AL
England
Website: www.bnymellon.com
Authorised and Regulated by the Financial Conduct Authority under the Financial Services and Markets Act 2000

Sponsor and Corporate Stockbroker

Winterflood Securities Limited
The Atrium Building
Cannon Bridge House
25 Dowgate Hill
London EC4R 2GA
Authorised and Regulated by the Financial Conduct Authority under the Financial Services and Markets Act 2000

Legal Advisers to the Company

Eversheds LLP
One Wood Street
London EC2V 7WS

Auditor

PricewaterhouseCoopers LLP
7 More London
Riverside
London SE1 2RT

Registrars

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Telephone (in UK): 0871 664 0300
Telephone (from overseas): +44 (0) 20 8639 3399
Facsimile: +44 (0) 1484 600911
E-mail: ssd@capitaregistrars.com
Website: www.capitaregistrars.com