

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this document or as to the action you should take, you are recommended immediately to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriately qualified independent financial adviser authorised under the Financial Services and Markets Act 2000 or, if you are in a country outside the United Kingdom, another appropriately authorised independent financial adviser.

If you were a Shareholder and have sold or otherwise transferred all your Ordinary Shares, please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Syncona Limited

(a registered closed-ended collective investment scheme regulated by the Guernsey Financial Services Commission and incorporated as a non-cellular company limited by shares under the laws of Guernsey with registration number 55514)

RECOMMENDED PROPOSAL REGARDING CHANGES TO THE COMPANY'S INVESTMENT POLICY AND NOTICE OF EXTRAORDINARY GENERAL MEETING

This document should be read as a whole. Your attention is drawn to the letter from your Chairman which is set out in Part 1 of this document and which recommends that you vote in favour of the Resolution to be proposed at the extraordinary general meeting of the Company, which will be held at the offices of Citco Fund Services (Guernsey) Limited, Arnold House, St Julian's Avenue, St. Peter Port, Guernsey, GY1 3RD, Channel Islands, on 30 October 2018 commencing at 10.30a.m. The notice convening the EGM is set out in Part 4 of this document.

To be valid for use at the EGM, the accompanying Form of Proxy should be completed, signed and returned in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received by not later than 10.30 a.m. on 26 October 2018. Alternatively, Shareholders may submit proxies electronically using Signal Shares at www.signalshares.com or using the CREST electronic proxy voting service.

The Company is a closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Schemes Rules 2015. The Guernsey Financial Services Commission takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it in this document.

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EXPECTED TIMETABLE

Latest time and date for receipt of Forms of Proxy and appointment of electronic proxies for use at EGM	10.30 a.m. on 26 October 2018
EGM	10.30 a.m. on 30 October 2018

All references to the time in this document are to the local time in the United Kingdom, unless otherwise stated.

PART 1

Letter from the Chairman

Syncona Limited

(a registered closed-ended collective investment scheme regulated by the Guernsey Financial Services Commission and incorporated as a non-cellular company limited by shares under the laws of Guernsey with registration number 55514)

Directors:

Jeremy Tigue (Chairman)
Thomas Henderson
Robert Hutchinson
Nigel Keen
Nick Moss
Gian Piero Reverberi
Ellen Strahlman

Registered office:

Arnold House,
St Julian's Avenue,
St Peter Port,
Guernsey, GY1 3RD
Channel Islands

4 October 2018

Extraordinary General Meeting (EGM) to approve changes to the Company's Investment Policy

Dear Shareholder,

Introduction

This letter explains the business to be considered at the EGM and includes a recommendation that you vote in favour of the Resolution set out in the notice of the EGM.

The EGM will be held at the offices of Citco Fund Services (Guernsey) Limited, Arnold House, St Julian's Avenue, St. Peter Port, Guernsey, GY1 3RD, Channel Islands on 30 October 2018 at 10.30 a.m.

Background

The Company's investment objective is to achieve long term capital appreciation from its investments through investing in and building global leaders in life science. Our vision is to deliver transformational treatments to patients in truly innovative areas of healthcare while generating superior returns for Shareholders.

We seek long-term ownership of our life science investments and believe that the best returns are obtained by:

- Building scalable and sustainable businesses that have the ambition and ability to develop products to approval and beyond. For innovative early stage life science businesses, the need to develop products and take them through clinical trials can mean this takes 10 years or more, and we aim to hold a significant ownership stake throughout that period.
- Investing in those businesses to ensure they are sufficiently funded to get their products approved. These businesses are typically capital intensive and being able to continue to invest in them is critical, to support the businesses in raising further capital in the market and to minimise the dilutive effect of new fundraising on our holdings.

To spread investment risk, we aim to build a portfolio of 15 to 20 life sciences opportunities. These life sciences businesses will often have a number of different clinical programmes, which can further spread risk across a number of therapeutic areas and technologies.

We anticipate that the pool of life science opportunities will be at different stages of development with the successful later stage businesses likely to be valued at a multiple of the early stage businesses. This could mean that at any time there are three to five life science investments that represent significant holdings and a significant percentage of the value of the portfolio (although there is no certainty this will be the case).

At present, the Company's Investment Policy restricts us from making a new investment in any life science business if it is valued at more than 25 per cent of the Company's gross assets. However, valuations of life science investments, particularly those investments that are publicly listed, can change significantly based on company-specific or wider developments. As the successful later stage investments are likely to represent a significant part of the value of the portfolio, movements in valuation of those businesses could result in an investment in that life science business exceeding 25 per cent of the Company's gross assets (or, potentially, that happening to more than one investment). It is also plausible that, at the same time, the relevant business may be seeking to raise further capital to support its activities. In this case the restriction referred to above is likely to conflict with the Company's strategic and investment objectives by preventing the Company from making a further investment, and in turn impact Shareholders' ability to benefit from the full value of the investment.

At 30 June 2018, the Company had gross assets of £1,311.4 million (net assets of £1,283.2 million), with 60.2% of gross assets invested in the life science portfolio. The life science portfolio has been the key driver of recent performance, generating £391.4 million of growth in the period from 31 March 2017.

The table below outlines the key life science investments in the portfolio and their valuation, and percentage of gross assets, at 31 March 2017 and 30 June 2018.

Name	Valuation 31/3/17 £m	% of gross assets	Further capital invested £m	Increase/ decrease in valuation	Valuation 30/6/18 £m	% of gross assets
Autolus	31.2	3.5	56.2	188.4	275.8	21.0
Blue Earth Diagnostics	108.4	12.0	6.0	98.8	213.2	16.3
Nightstar	34.2	3.8	25.6	88.1	147.9	11.3
Freeline	18.0	2.0	45.5	0.0	63.5	4.8
Other life science	34.8	3.9	38.1	16.1	89.0	6.8
Total	226.6	25.2	171.4	391.4	789.4	60.2

Proposed change to the Investment Policy

In line with our strategy, we believe it is important that we have flexibility to support our life science portfolio companies to bring products to market, treatments to patients and deliver the best investment returns for our shareholders.

To provide greater flexibility, we propose to amend the life sciences investment requirements to the following:

No more than (measured at the time of an investment with respect to the impact of that investment):

- 35 per cent of the Company's gross assets may be invested in any single life science investment;
- 60 per cent of the Company's gross assets may be invested in the largest two life science investments; and
- 75 per cent of the Company's gross assets may be invested in the largest three life science investments.

This change potentially brings additional risk to the Company and its shareholders. It would make it possible for further investment to be made even though the life science investment represented up to 35 per cent of the Company's gross assets (compared to 25 per cent at present), or along with one other life science investment represented up to 60 per cent of the Company's gross assets (compared to 50 per cent at present). If that investment (or those two investments) were to fail, the impact on the Company following this change could be greater.

However, we believe this proposed change draws an appropriate balance. It protects the ability of the Company to invest in its later stage businesses even if there are meaningful valuation movements, while continuing to restrict further investment (as at present) in the largest three assets if they exceed 75 per cent of the portfolio.

Other changes to the Investment Policy

We also wish to take the opportunity to propose a number of other updates to the Investment Policy. These are generally intended to reflect the evolution of its portfolio and to clarify areas of ambiguity, and include the change referred to below.

At present, the Investment Policy provides that the Company will seek (but is not required) to make fund investments in cases where the relevant investment manager provides investment capacity on a 'gross return' basis; meaning that the Company does not bear the impact of management or performance fees on the relevant investment. As the Company's business has changed, and the investment parameters of the fund investments have evolved to support the life science portfolio, we believe it is important to have full flexibility to invest whether on a fee-paying or 'gross return' basis. The percentage of the fund investments invested on a gross return basis has declined to 55.7 per cent at 30 June 2018 and we expect this trend to continue as we further reposition the fund investments portfolio. We accordingly propose to update the Investment Policy to remove this requirement.

A full version of the current and proposed Investment Policy is set out in Part 2 of this document with the proposed changes highlighted.

Extraordinary General Meeting and effectiveness of the Resolution

The notice convening the EGM is set out in Part 4 of this document and sets out the business to be transacted at the EGM. The Resolution will be proposed as a special resolution, which requires not less than 75 per cent of the Shareholders and duly appointed proxies attending the meeting and voting on a show of hands (excluding any votes that are withheld) to vote in favour or, if a poll is demanded, 75 per cent of the total voting rights cast (excluding any votes that are withheld) to be in favour. The revised Investment Policy will be effective immediately following approval by Shareholders at the EGM.

Action to be taken

You will find enclosed the Form of Proxy for use at the EGM. Whether or not you intend to attend the EGM, you are urged to complete and return the Form of Proxy as soon as possible. To be valid, the Form of Proxy must be completed in accordance with the instructions printed on it and lodged with Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, not later than 10.30 a.m. on 26 October 2018. Alternatively, Shareholders may submit proxies electronically using Signal Shares at www.signalshares.com or using the CREST electronic proxy voting service.

The lodging of the Form of Proxy or electronic submission of a proxy will not prevent you from attending the EGM and voting in person if you so wish. If you have any queries relating to the completion of the Form of Proxy, please contact the Company's administrator, Citco Fund Services (Guernsey) Limited, Arnold House, St Julian's Avenue, St. Peter Port, Guernsey, GY1 3RD, Channel Islands at the following number +44(0)1481 745 001. Citco Fund Services (Guernsey) Limited can only provide information regarding the completion of the Form of Proxy and cannot provide you with investment advice.

Shareholder intentions

Wellcome Ventures, who beneficially hold 36.8 per cent of the Company's issued share capital, have indicated that they will vote in favour of the Resolution at the EGM.

Recommendation

The Directors consider the proposed changes to the Company's Investment Policy and the Resolution to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution, as those Directors who own shares in the Company intend to do so in respect of their own beneficial holdings (totalling 1.5 per cent in aggregate of the Ordinary Shares in issue).



Yours faithfully
Jeremy Tighe
Chairman

PART 2

PROPOSED CHANGES TO THE INVESTMENT POLICY

The changes that will be made to the Company's Investment Policy if the Resolution is passed at the EGM have been marked up against the Company's existing Investment Policy shown below.

Investment Policy

Investment Objective and Policy

The Company's investment objective is to achieve superior long-term capital appreciation from its investments. The Company may invest in:

- life science businesses (including private and quoted companies) and single or multi-asset projects ('Life Science Investments'); and
- leading long-only and alternative investment funds and managed accounts across multiple asset classes ('Fund Investments').

The Company will target an annualised return per share across its investment portfolio of 15 per cent per annum over the long-term.

The Company is not required to allocate a specific percentage of its assets to Life Science Investments or Fund Investments although, over time, it is intended that the Company should invest the significant majority of its assets in Life Science Investments. The Company anticipates that it will, in general, invest available cash in Fund Investments and realise those investments as and when finance is required for its Life Science Investments.

Life Science Investments

Life Science Investments will principally be privately owned businesses or single or multi-asset opportunities, together with the Company's investment in the CRT Pioneer Fund.

The Company anticipates that its Life Science Investment businesses will primarily be headquartered in the United Kingdom and, to a lesser extent, continental Europe, although some may have operations elsewhere in the world and may market and commercialise their products on a global basis.

The Company anticipates that, over time, its Life Science Investments portfolio will consist of around 15 to 20 life science opportunities, of which three to five are likely to become significant core holdings. The Company will invest further in its existing portfolio of Life Science Investments and will seek to create further opportunities by founding new businesses to commercialise academic science.

The Company will seek to create and invest in new or existing Life Science Investment businesses or opportunities with a view to long-term ownership, to support the building of companies that are capable of taking their products to market on an independent basis and therefore to build sustainable, revenue-generating businesses. However, the Company may selectively divest companies in part or in full where such divestment delivers a financial return beyond the value that the Company could create alone.

The Company will commit at least 25 per cent of the assets that it commits to Life Science Investments to oncology projects or Life Science Investment businesses with a sole or dominant focus on oncology.

The Life Science Investment portfolio is subject to the following diversification requirements, each of which is measured only at the time of an investment and with respect to the impact of that investment:

- no more than 35 per cent of the Company's gross assets may be invested in any single Life Science Investment;
- no more than 60 per cent of the Company's gross assets may be invested in the largest two Life Science Investments;
- no more than 75 per cent of the Company's gross assets may be invested in the largest three Life Science Investments; and
- no more than 15 per cent of the Company's gross assets may be invested in quoted companies, disregarding for these purposes any investments which have become quoted companies during their ownership by the Company.

Fund Investments

The Company may make Fund Investments in long-only funds, hedge funds, private equity funds, infrastructure funds, credit and fixed income and real estate funds. The Company may make Fund Investments on a global basis, including in funds that invest in emerging markets. The Company may also make short-term investments in short-term deposits or investments that are readily realisable pending investment in longer-term opportunities.

The composition of the Fund Investments portfolio will vary over time, depending on the aggregate amount of the Company's gross assets that are allocated to it, but for the foreseeable future, the Company intends to hold at least 15 Fund Investments.

The Fund Investments portfolio is subject to the following diversification requirements, measured at the time of investment:

- no more than 20 per cent of the Company's gross assets may be invested in any single fund or managed account;
- no more than 30 per cent of the Company's gross assets may be invested with a single investment manager;
- no more than 50 per cent of the Company's gross assets may be invested in funds or managed accounts pursuing any single investment strategy (defined for these purposes as event-driven, merger arbitrage, convertible arbitrage, emerging markets, fixed income, credit, distressed, macro, multi-strategy, relative value and systematic strategies); and
- no more than 80 per cent of the Company's gross assets may be invested in any single asset class (defined for these purposes as long-only equity funds, long-only fixed income and credit funds, hedge funds, private equity funds and real estate funds, infrastructure funds and other asset classes not included in any of the foregoing).

Fund Investments may follow a wide range of investment policies and strategies and may be permitted to borrow and invest in long and short positions in quoted and unquoted equities, fixed income securities, options, warrants, futures, commodities, currency forwards, over the counter derivative instruments (such as swaps), securities that lack active public markets, private securities, repurchase agreements, preferred stocks, convertible bonds and other financial instruments or real estate as well as cash and cash equivalents.

Where feasible, the Company will endeavour (but is not required) to make Fund Investments in cases where the relevant investment manager provides investment capacity on a 'gross return' basis, meaning that the Company does not bear the impact of management or performance fees on the relevant investment. This may be achieved by the relevant manager or fund agreeing with the Company not to charge management or performance fees, by rebating or donating back to the Company any management or performance fees charged or otherwise arranging for the Company to be directly or indirectly compensated so as effectively to increase its investment return on the relevant investment by the amount of any such fees. Depending on their specific terms, arrangements under which the Company receives a rebate, donation or other retrocession, compensation or payment in respect of fees payable in relation to an investment may mean that the investment returns actually received by the Company are not identical to those that would have been received had no fees been charged. However, any such differences are not expected to be material.

Investment restrictions

The Company will not make any direct investment in any tobacco company and has agreed with (a) The Institute of Cancer Research (the 'ICR') not knowingly to make any investment which contravenes the tobacco restriction contained in the investment policy of the ICR and (b) Cancer Research UK not knowingly to make or continue to hold any investments in the Fund Investment portfolio which would result in exposure to tobacco companies exceeding 1 per cent of the aggregate value of the Fund Investment portfolio from time to time.

Annual charitable donation

The Company is required to make a charitable donation, in arrears, equal to one-twelfth of 0.3 per cent of its total net asset value at each month-end during the relevant financial year. Half is donated to the ICR and half donated to The Syncona Foundation for onward distribution among other charities in proportions which are determined each year by shareholders.

Indebtedness and other investment limitations

The Group may incur indebtedness for the purpose of financing share repurchases or redemptions, satisfying working capital requirements or to assist in payment of the annual charitable donation, up to a maximum of 20 per cent of the Company's net asset value at the time of incurrence.

Any decision to incur indebtedness for the purpose of servicing any awards under the Group's Long-Term Incentive Plan must be approved by the Board. Any other decision to incur indebtedness may be taken by the ~~Management Team~~ Investment Manager within such parameters as are approved by the Board from time to time. There are no limitations on indebtedness being incurred at the level of the Company's underlying investments.

The Company does not propose to enter into any securities or derivative hedging or other derivative arrangements other than those that may from time to time be considered appropriate for the purposes of efficient portfolio management and will not enter into such arrangements for investment purposes, although there are no limitations on such arrangements being entered into at the level of the Company's underlying investments.

PART 3

Definitions and glossary

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

“Board”	the board of Directors, including any duly constituted committee thereof
“Company”	Syncona Limited
“Directors”	the directors of the Company, whose names appear on page 3 of this document
“EGM”	the extraordinary general meeting of the Company convened for 10.30 a.m. on 30 October 2018 at the offices of Citco Fund Services (Guernsey) Limited, Arnold House, St Julian’s Avenue, St. Peter Port, Guernsey, GY1 3RD, Channel Islands, notice of which is set out in Part 4 of this document, or any adjournment of that meeting
“EGM Notice”	the notice convening the EGM set out in Part 4 of this document
“FCA”	Financial Conduct Authority
“Form of Proxy”	the form of proxy issued by the Company for use by Shareholders in connection with the EGM
“Ordinary Shares”	ordinary shares of no par value in the capital of the Company
“Resolution”	the resolution to be proposed at the EGM and contained in the EGM Notice
“Shareholders”	holders of Ordinary Shares from time to time

PART 4

Notice of extraordinary general meeting

Syncona Limited

(a registered closed-ended collective investment scheme regulated by the Guernsey Financial Services Commission and incorporated as a non-cellular company limited by shares under the laws of Guernsey with registration number 55514)

Notice is hereby given that the extraordinary general meeting of Syncona Limited will be held at the offices of Citco Fund Services (Guernsey) Limited, Arnold House, St Julian's Avenue, St. Peter Port, Guernsey, GY1 3RD, Channel Islands, on 30 October 2018 commencing at 10.30 a.m., to transact the following business.

Special Resolution

To consider and, if thought fit, pass the following resolution as a special resolution:

1. That the proposed changes to the Company's Investment Policy as set out in Part 2 of the circular to Shareholders dated 4 October 2018, of which this notice forms part, are approved.

By order of the Board
Dated 4 October 2018

Registered Office
Arnold House,
St Julian's Avenue,
St Peter Port,
Guernsey, GY1 3RD
Channel Islands

Notes

1. To have the right to attend and vote at the meeting you must hold shares in the Company and your name must be entered on the share register of the Company in accordance with note 4 below.
2. Shareholders entitled to attend and vote at the meeting may appoint one or more proxies (who need not be a Shareholder) to attend, speak and vote on their behalf, provided that if two or more proxies are to be appointed, each proxy must be appointed to exercise the rights attaching to different shares. Where multiple proxies have been appointed to exercise rights attached to different shares, on a show of hands those proxy holders taken together will collectively have the same number of votes as the Shareholder who appointed them would have on a show of hands if he or she were present at the meeting. On a poll, all or any of the rights of the Shareholder may be exercised by one or more duly appointed proxies.
3. To be valid, the relevant instrument appointing a proxy (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be received by Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, not later than 10.30 a.m. on 26 October 2018. A Form of Proxy accompanies this notice. Completion and return of the Form of Proxy will not preclude members from attending and voting at the meeting should they wish to do so.
4. The time by which a person must be entered on the register of members in order to have the right to attend and vote at the meeting is close of business on 26 October 2018. If the meeting is adjourned, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the adjourned meeting is close of business on the day that is two days before the date fixed for the adjourned meeting. In calculating such two days period, no account shall be taken of any day that is not a business day in London and Guernsey. Changes to entries on the register of members after such times shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. On a poll, each Shareholder will be entitled to one vote per ordinary share held. As at the date of this notice, the Company's issued share capital (excluding shares held in treasury) consisted of 661,222,309 Ordinary Shares. Therefore, the total voting rights in the Company as at the date of this notice are 661,222,309.
6. Alternatively, if you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service. Further details are contained below.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the EGM and any adjournment(s) thereof by using the procedures, and to the address, described in the CREST manual (available via www.euroclear.com/CREST) subject to the provisions of the Company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message must be properly authenticated in accordance with Euroclear UK and Ireland Limited's ('Euroclear') specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 10.30 a.m. on 26 October 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations 2009.