THIS DOCUMENT is a prospectus (this "Prospectus") relating to BACIT Limited (the "Company") prepared in relation to the Open Offer and the Admission to the Official List of new Ordinary Shares to be issued pursuant to the Issue in accordance with the Prospectus Rules of the Financial Conduct Authority (the "FCA") made under section 73A of the Financial Services and Markets Act 2000 ("FSMA") and approved by the FCA under section 87A of FSMA. The Prospectus has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules. If you are in any doubt about the contents of this Prospectus you should consult your accountant, legal or professional adviser, financial adviser or a person authorised for the purposes of FSMA who specialises in advising on the acquisition of shares and other securities if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

The Ordinary Shares are only suitable for investors (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, (ii) for whom an investment in the Ordinary Shares is part of a diversified investment programme and (iii) who fully understand and are willing to assume the risks involved in such an investment programme. Investors in the Company are expected to be institutional investors, professional investors, high net worth investors and advised individual investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager or broker regarding investment in the Company. The attention of potential investors is drawn to the Risk Factors set out on pages 18 to 42 of this Prospectus.

The New Ordinary Shares (as defined below) have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States and the New Ordinary Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, "U.S. persons" as defined in Regulation S under the Securities Act ("US Persons"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States and in a manner which would not require the Company to register under the US Investment Company Act of 1940, as amended (the "Investment Company Act").

The Company is a registered closed-ended collective investment scheme incorporated as a non-cellular company limited by shares in Guernsey. The Company is not an authorised person under FSMA and, accordingly, is not registered with the FCA. The Company is a registered closed-ended collective investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the "**POI Law**") and the Registered Collective Investment Schemes Rules 2015 (the "**CIS Rules**") issued by the Guernsey Financial Services Commission (the "**GFSC**"). The GFSC, in granting registration, has not reviewed this Prospectus but has relied upon specific warranties provided by Northern Trust Fund Administration Services (Guernsey) Limited, the Company's "designated administrator" for the purposes of the POI Law and the CIS Rules. The GFSC 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.

Application will be made to the FCA for all of the new Ordinary Shares in the Company (the "**New Ordinary Shares**") to be issued in connection with the Issue to be admitted to the Official List of the UK Listing Authority (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such New Ordinary Shares to be admitted to trading on the premium segment of the London Stock Exchange's main market for listed securities (together, "**Admission**"). Admission to the Official List, together with admission to trading on the premium segment of the London Stock Exchange's main market for listed securities, constitutes admission to official listing on a regulated market. It is expected that Admission will become effective and that unconditional dealings in the New Ordinary Shares will commence at 8 am (London time) on 19 December 2016 ("**Admission**").

The Company, its Directors and the Proposed Directors, whose names appear on page 49 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company, the Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of The Institute of Cancer Research, the Wellcome Trust and Cancer Research UK accept no responsibility whatsoever for the contents of this Prospectus or for any other statement made or purported to be made by it or on its behalf in connection with the Company or the Ordinary Shares.

BACIT Limited (to be renamed Syncona Limited)

(a registered closed-ended collective investment scheme incorporated as a company limited by shares under the laws of Guernsey with registered number 55514)

Issue of up to 386,272,980 New Ordinary Shares at an Offer Price of 131.15 pence per Share and Admission of the New Ordinary Shares to the Official List and to trading on the premium segment of the London Stock Exchange's main market for listed securities

Global Coordinator, Sponsor and Bookrunner

J.P. Morgan Cazenove

J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove) is authorised by the Prudential Regulation Authority (the "**PRA**") and regulated by the FCA and the PRA. J.P. Morgan Cazenove is acting exclusively for the Company and for no other person in connection with the Issue and will not regard any other person (whether or not a recipient of this document) as its client in relation to the Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, or for providing advice in relation to the Issue, the contents of this Prospectus or any matters referred to herein.

The New Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of Australia, Canada or Japan. Further, the New Ordinary Shares may not be offered or sold directly or indirectly in or into the United States, or to or for the account or benefit of any US Person, except pursuant to an exemption from, or in a transaction not subject to, the

registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States and in a manner which would not require the Company to register under the Investment Company Act. There will be no public offer of the New Ordinary Shares in the United States. Neither the US Securities and Exchange Commission nor any securities regulatory authority of any state or other jurisdiction of the United States has approved or disapproved of these securities or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The New Ordinary Shares are being offered and sold only outside the United States to non-US Persons in reliance on Regulation S under the Securities Act. The Company has not been and will not be registered under the Investment Company Act and, as such, investors will not be entitled to the benefits of the Investment Company Act.

Prospective investors should familiarise themselves with the selling and transfer restrictions in Part VII "*Details of the Open Offer and Placing – Terms and Conditions of the Placing – Representations, warranties and undertakings*" and in Part X "*Restrictions on Sales*" of this Prospectus.

Prospective investors should rely only on the information in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorised. Neither the delivery of this Prospectus nor any subscription made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information in this Prospectus is correct as of any time subsequent to the date of this Prospectus, save for such statements as are required by law or regulation to refer to one or more future dates.

Apart from the liabilities and responsibilities (if any) which may be imposed on the Sponsor by FSMA or the regulatory regime established thereunder, the Sponsor makes no representations, express or implied, nor accept any responsibility whatsoever for the contents of this Prospectus nor for any other statement made or purported to be made by them or on their behalf in connection with the Company, BACIT UK, the New Ordinary Shares, the Sale Shares, the Proposed Transaction, the Firm Placing, the Issue or the Liquidity Facility. The Sponsor (and its respective affiliates) accordingly disclaims all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it might otherwise have in respect of this Prospectus or any such statement.

The content of this Prospectus is not to be construed as legal, financial, business, investment or tax advice. Each prospective investor should consult his, her or its legal adviser, independent financial adviser or tax adviser for legal, financial, business, investment or tax advice. Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of Ordinary Shares.

The Sponsor or its respective affiliates may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Ordinary Shares and/or related instruments for their own respective accounts for the purpose of hedging their respective underwriting exposure or otherwise. Except as required by applicable law or regulation, the Sponsor does not propose to make any public disclosure in relation to such transactions.

This Prospectus should be read in its entirety before making any application for Ordinary Shares.

Capitalised terms contained in this Prospectus shall have the meaning given to such terms in Part XII "*Definitions*" of this Prospectus.

Dated 28 November 2016

CONTENTS

SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. These Elements are numbered in Sections A-E (A.1-E.7) below. This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Section A – Introduction and Warnings		
A.1	**Introduction**	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 by the investor; 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 EEA Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and civil liability attaches only to the Company, its Directors and the Proposed Directors, who are responsible for this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Ordinary Shares. This summary reflects the position of the Company following the Implementation Date.
A.2	**Subsequent resale of securities or final placement of securities through financial intermediaries**	The Company is offering its existing Shareholders the opportunity to elect to sell their Sale Shares under the Liquidity Facility to the extent that buyers can be found for such Sale Shares under the Issue.
Section B – Issuer		
B-33, B.1	**Legal and commercial name**	BACIT Limited (proposed to be renamed Syncona Limited).
B-33, B.2	**Domicile / Legal Form / Legislation / Country of Incorporation**	The Company is a registered closed-ended collective investment scheme incorporated as a non-cellular company limited by shares in Guernsey on 14 August 2012. The Company is registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the "**POI Law**") and the Registered Collective Investment Schemes Rules 2015 (the "**CIS Rules**") issued by the Guernsey Financial Services Commission ("**GFSC**").
B-33, B.6	**Interests in shares / voting rights / controllers**	Following the implementation of the Firm Placing and the Issue, Wellcome Ventures will hold up to 37.4 per cent. of the Shares in the capital of the Company on the basis that the Company issues 264,334,417 New Ordinary Shares under the Firm Placing and the Issue and a total of 650,473,202 Ordinary Shares shall be in issue following the implementation of the Firm Placing and the Issue. For the purposes of the historical financial information set out below "Group" shall mean the Company and the General Partner.

		Selected historical financial information which summarises the financial condition of the Group for the periods as at 30 September 2016, 31 March 2016, 2015 and 2014 is set out below. The selected financial information has been extracted without material adjustment from the Group's audited financial information for the relevant accounting periods.
B-33, B.7	**Selected historical key financial information**	

	30.09.16	**31.03.16**	**31.03.15**	**31.03.14**
	(GBP£000)	*(GBP£000)*	*(GBP£000)*	*(GBP£000)*
ASSETS:				
Non-current assets				
Financial assets at fair value through profit or loss	485,865	472,294	479,151	434,823
Total non-current asset	485,865	472,294	479,151	434,823
Current assets				
Bank and cash deposits	320	41	23	76
Trade and other receivables	2,485	4,795	4,438	3,211
Total current assets	2,805	4,836	4,461	3,287
TOTAL ASSETS	488,670	477,130	483,612	438,110
LIABILITIES:				
Current liabilities				
Trade and other payables	2,587	4,885	4,548	3,260
Total current liabilities	2,587	4,885	4,548	3,260
TOTAL LIABILITIES	2,587	4,885	4,548	3,260
NET ASSETS	486,083	472,245	479,064	434,850
EQUITY				
Share capital	408,008	406,208	403,987	401,831
Distributable reserves	78,075	66,037	75,077	33,019
TOTAL EQUITY	486,083	472,245	479,064	434,850
Number of Ordinary Shares in issue at period end	386,138,785	384,665,158	382,867,127	380,974,677
Net asset value per share	£1.26	£1.23	£1.25	£1.14

No significant changes to the Group's financial condition and results of operations occurred during the six months ended 30 September 2016 or the years ended 31 March 2016, 2015 and 2014.

At 31 March 2014 90.5 per cent. of the Company's assets were invested in 31 funds across 22 managers. During the financial year to 31 March 2014, the Net Asset Value of the Company increased by 2.73 per cent. and the Company paid a dividend of 1.0 pence per share, delivering a total return per share of 3.63 per cent.

At 31 March 2015 95 per cent. of the Company's assets were invested in 32 fund positions. The Company's NAV total return per share was 11.5 per cent. and the share price total return was 0.8 per cent. The Company paid a scrip dividend of 2.10 pence per share.

At 31 March 2016 97.4 per cent. of the Company's assets were invested in 33 funds across 24 managers. The Company's total return per share was -0.2 per cent. and the share price total return was 8.5 per cent. The Company paid a scrip dividend of 2.20 pence per share.

		At 30 September 2016 99.3 per cent. of the Company's assets were invested in 32 funds. The Company's total return per share was 4.82 per cent. During the six months ended 30 September 2016 the Company's Net Asset Value increased by 2.94 per cent. The Company paid a scrip dividend of 2.20 pence per share in August 2016. The financial performance of the Company is directly impacted by the performance of its underlying Fund Investments and is, therefore, indirectly impacted by the conditions of the markets in which those underlying funds operate. There has been no significant change in the financial condition of the Company since 30 September 2016, being the end of the period covered by the historical financial information.
B-33, B.8	**Selected key *pro forma* financial information**	Not applicable. No *pro forma* financial information is included in the Prospectus.
B-33, B.9	**Profit forecast / estimate**	Not applicable. No profit forecast is included in the Prospectus.
B-33, B.10	**Qualifications on audit report**	Not applicable. The audit reports on the historical financial information contained within the Prospectus are not qualified.
B.11	**Working capital qualifications**	Not applicable. The Company is of the opinion, that the working capital available to the Group is sufficient for its present requirements, that is for at least the 12 months from the date of this Prospectus.
B.34	**Investment objective and description of the investment policy**	**Proposed Investment objective** The Company's proposed investment objective is to achieve superior long-term capital appreciation from its investments. **Proposed Investment policy** The Company may invest in: • life science businesses (including private and quoted companies) and single 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 IRR per share across its investment portfolio of 15 per cent. per annum over the long term[1]. 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 asset opportunities and the Company's investment in the Pioneer Fund.

1 This is an estimate only and not a profit forecast. There can be no assurance that this estimate will be met and it should not be taken as an indication of the Company's expected or actual future results. Potential investors should decide for themselves whether or not this estimation is reasonable or achievable in deciding whether to invest in the Company.

		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 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, measured at the time of investment: • no more than 25 per cent. of the Company's gross assets may be invested in any single Life Science Investment; 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 had 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 ICR not knowingly to make any investment which contravenes the tobacco restriction contained in the investment policy of the ICR and (b) CRUK not knowingly to make or continue to hold any investments in the Fund Investment Portfolio which would result in exposure to tobacco companies exceeding one 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 Institute of Cancer Research (the "**ICR**") and half donated to The BACIT Foundation for onward distribution among other charities in proportions which are determined each year by shareholders. The Company will bring forward charitable donations for future years with the effect of maintaining the amount of charitable donations for 2016 to 2017 and 2017 to 2018 at a level equal to the amount donated in 2015 to 2016. Any excess amount paid by the Company in those two years will be recovered from the charitable donations for future years which will be equal to the lower of (i) 0.3 per cent. of its net asset value and (ii) the actual amount donated in 2015 to 2016, until such time as any excess amounts have been recovered in full.
B.35	**Borrowing / leverage limits**	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 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 will are no limitations on such arrangements being entered into at the level of the Company's underlying investments.
B.36	**Regulatory status**	The Company is registered pursuant to the POI Law and the Registered Collective Investment Schemes Rules 2015 issued by the GFSC. The Company is regulated by the GFSC.
B.37	**Typical investor**	An investment in the Company, including in the Ordinary Shares, is intended to appeal to, and is most suitable for, sophisticated or institutional investors who seek long-term capital appreciation and who understand the risks involved in investing in the Company, including the risk of loss of all capital invested.
B.38	**Concentration of gross assets (20 per cent)**	Not applicable. More than 20 per cent. of the gross assets of the Company may be invested in a single asset but the Company does not currently invest in any asset which exceeds this limit.
B.39	**Concentration of gross assets (40 per cent)**	Not applicable. The Group may not invest in excess of 25 per cent. of its gross assets in a single investment.
B.40	**Service providers**	*Investment management services* BACIT (UK) Limited ("**BACIT UK**") is appointed as the sole investment manager to the Group. Pursuant to the BACIT UK IMA, BACIT UK has responsibility for and discretion over investing and managing the Group's direct and indirect assets, subject to and in accordance with the Investment Policy. As part of the Proposed Transaction, the Company will revise its existing investment management function such that the Investment Management Team is expanded to include both the Fund Investment Management Team and the Life Science Investment Management Team. The Company has incorporated a management subsidiary, BACIT Holdco 4 Limited (to be renamed Syncona Investment Management Limited) ("**SIML**"), which, once it has received the required regulatory approvals, will become the Company's primary investment manager, replacing BACIT UK. SIML will be controlled by the Life Science Investment Management Team and will have overall responsibility for taking investment decisions on behalf of the Company and for managing its existing investments. SIML will also have responsibility for allocating the amount of capital which the Company will commit, in the future, to the making of Fund Investments and Life Science Investments. SIML will sub-delegate investment decisions in respect of Fund Investments and the management of the Company's existing Fund Investments to BACIT UK on the terms set out in the Amended BACIT UK IMA.

		Administration and corporate secretarial services The Company, the General Partner and the Limited Partnership are administered by Northern Trust International Fund Administration Services (Guernsey) Limited (the "**Administrator**"). For the provision of such services the Administrator is entitled to receive a fee of: (i) 6 basis points of Net Asset Value per annum on the first £100,000,000 of the Company's net assets; (ii) 4 basis points of Net Asset Value per annum on the next £100,000,000 of the Company's net assets; (iii) 3 basis points of Net Asset Value per annum on the next £100,000,000 of the Company's net assets; and (iv) 2 basis points of Net Asset Value per annum thereafter. The Net Asset Value is calculated as at the last valuation day in each month (as produced by the Administrator). The fees set out above are subject to a minimum fee of £120,000 per annum payable monthly in arrears (the parties may by agreement revise these fees from time to time). The Company also reimburses the Administrator for disbursements and reasonable out of pocket expenses incurred by the Administrator on behalf of the Company, the General Partner or the Limited Partnership. The Company has also engaged Mainspring Fund Services Limited ("**Mainspring**") to provide certain corporate secretarial and fund administration services in addition to those provided by the Administrator. For the provision of such services Mainspring is entitled to receive a fee equal to 3 basis points of Net Asset Value per annum. *Registry services* Capita Registrars (Guernsey) Limited (the "**Registrar**") has been appointed as registrar to the Company. For the creation and maintenance of the share register the Registrar is entitled to receive a basic fee based on the number of Shareholder accounts, an annual fee of up to £1.75 per holder of Shares appearing on the register during the fee year, subject to a minimum fee per year of £7,999, and to a fee of £500 per annum for provision of share portal services. In addition to this basic fee, the Registrar is entitled to receive additional fees for specific actions. *Audit services* Deloitte LLP (Guernsey) provides audit services to the Company. The annual report and accounts are prepared in compliance with IFRS. Since the fees charged by the auditor depend on the services provided and the time spent by the auditor on the affairs of the Company, there is no maximum amount payable to the auditor.
B.41	**Investment manager / investment advisor / custodian / trustee or fiduciary**	BACIT UK is a company limited by shares incorporated in England and Wales and is an external and independent company. BACIT UK is authorised by the FCA as an alternative investment fund manager for the purposes of the AIFMD. The Administrator has been appointed as administrator, secretary and designated administrator of the Company. The Administrator is licensed by the GFSC under the POI Law, to act as "designated administrator" and provide administrative services to closed-ended investment funds and collective investment schemes. Northern Trust (Guernsey) Limited (the "**Custodian**") has been appointed as custodian to the Company and to the Limited Partnership. For the provision of such services, the Custodian is entitled to receive a custody fee of 4 basis points on the value of the Company's assets under custody up to £300 million and a fee of 3 basis points per annum thereafter, subject to a minimum annual fee of £20,000, together with transaction charges, payable by the Company or the Limited Partnership. Northern Trust (Guernsey) Limited (the "**Depositary**") has been appointed as depositary to the Company, BACIT Discovery Limited and the Limited

		Partnership. For the provision of such services, the Depositary is entitled to receive a fee of 2 basis points of Net Asset Value per annum. The Registrar is a non-cellular company limited by shares incorporated in Guernsey and is licensed by the GFSC.
B.42	**Net asset value**	The Group's investments in Life Science Investments will, ordinarily, be valued on a quarterly basis. Both the NAV per Share of each class of Shares of the Company in issue from time to time and the Net Asset Value will be calculated by the Administrator based on the latest published net asset value for each underlying fund and reported to Shareholders on a monthly basis on the website of the Company's website at www.bacitltd.com. *Fund Investments* The Group's investments in underlying funds will ordinarily be valued using the values (whether final or estimated) as advised to the Group by the managers, general partners or administrators of the relevant underlying fund. Any investments which are marketable securities quoted on an investment exchange are valued at the relevant expected exit price at the close of business on the relevant date. Cash and liquid assets are valued at their face value, plus any interest accrued. The Group may depart from this policy where it is considered such valuation is inappropriate and may, at its discretion, permit any other method of valuation to be used if it considers that such method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with good accounting practice. In the event that a price or valuation estimate accepted by the Group in relation to an underlying fund subsequently proves to be incorrect or varies from the final published price, no retrospective adjustment to any previously announced NAV or NAV per Share will be made. All calculations made by the Administrator for these purposes are based, in significant part, on valuation information provided by the Group or by the underlying funds in which the Group invests. The financial reports produced by certain funds in which the Group invests may be provided only on a quarterly or half yearly basis and issued up to four months after their respective valuation dates. Consequently, each reported NAV per Share will contain information that may be out of date and require updating and completing. Shareholders should bear in mind that the actual NAV per Share may be materially different from any reported estimates. *Life Science Investments* The Company's investments in Life Science Investment companies will, in the case of quoted companies, be valued based on bid prices in an active market as at the reporting date. In the case of the Company's investments in unlisted Life Science Investment companies, the fair value will be determined in accordance with the International Private Equity and Venture Capital Valuation Guidelines ("**IPEVCV Guidelines**"). These include the use of recent arm's length transactions, 'discounted cash flow' ("**DCF**") analysis and earnings multiples. Wherever possible, the Company will use valuation techniques which make maximum use of market-based inputs. Accordingly, the valuation methodology used most commonly by the Company will be the 'price of recent investment' ("**PRI**") or the 'milestone analysis' approach. The Board may, at any time, temporarily suspend the calculation of the Net Asset Value attributable to the Shares during:

		(i) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Board, disposal or valuation of a substantial portion of the investments of the Group is not reasonably practicable without this being seriously detrimental to the interests of Shareholders or if, in the opinion of the Board, the NAV of the Company cannot be fairly calculated; (ii) any breakdown in the means of communication normally employed in determining the price of a substantial portion of the investments of the Group or when for any other reason the current prices of any of the investments of the Group cannot be promptly and accurately ascertained; (iii) any period during which any transfer of funds involved in the realisation or acquisition of investments of the Group cannot, in the opinion of the Board, be effected at normal prices or rates of exchange; or (iv) any period when the Board considers it to be in the best interests of the Company. Shares will not be issued for the duration of the period of such suspension. Details of each monthly valuation, and of any suspension in the making of such valuations, will be announced by the Company through a regulatory information service provider as soon as practicable after the end of the relevant month.
B.43	**Cross-liability**	Not applicable. The Company is not an umbrella collective investment undertaking.
B.44-B.7	**Statement confirming no financial statements**	Not applicable. The Company has commenced operations and historical financial information is included within this document.
B.45	**Portfolio**	As at the date of this Prospectus, the Company's Fund Investment portfolio consisted of investments in 33 underlying funds (32 of which are invested in on a ''gross return basis''), across 24 underlying managers. The Initial Life Science Portfolio comprises existing investments held by Syncona and its limited partnership interests in the Pioneer Fund. The Pioneer Fund currently holds nine underlying Life Science Investments and Syncona currently holds seven Life Science Investments.
B.46	**Net asset value per security**	As at 31 October 2016, the unaudited NAV per Ordinary Share was £1.29.
C – Securities		
C.1	**Description of securities**	The International Security Identification Number for the New Ordinary Shares and the Sale Shares is GG00B8P59C08. The Company's ticker symbol is BACT. As part of the implementation of the Proposed Transaction, the Company proposes to change its name to Syncona Limited and will change its ticker symbol to SYNC.
C.2	**Currency of the securities issue**	The New Ordinary Shares are denominated in Sterling.
C.3	**Number of shares / whether fully paid / par value**	The Company will issue 264,334,417 New Ordinary Shares under the Firm Placing at the Offer Price. In addition, the Company will issue up to 121,938,563 New Ordinary Shares through the Issue. The number of New Ordinary Shares that the

		Company will issue under the Issue will be reduced by the number of Sale Shares that Shareholders elect to sell. The Offer Price of 131.15 pence per New Ordinary Share represents a premium of approximately 0.11 per cent. to the middle market closing price for an existing Ordinary Share of 131.00 pence on 25 November 2016 and a 1.35 per cent. premium to the NAV per share as at 31 October 2016. The New Ordinary Shares have no par value. All Ordinary Shares in issue on Admission will be fully paid.
C.4	**Rights attached to the securities**	The New Ordinary Shares rank *pari passu* with each other and with all existing Ordinary Shares, including for voting purposes. Subject to the Articles, Shareholders are entitled to participate in the assets of the Company attributable to their Ordinary Shares on a winding-up of the Company or other return of capital attributable to the Ordinary Shares.
C.5	**Restrictions on free transferability**	Subject to the Articles (and the restrictions on transfer contained therein), a Shareholder may transfer all or any of his Shares in any manner which is permitted by the Companies Law and the Regulations or in any other manner which is from time to time approved by the Board.
C.6	**Admission to trading on regulated market**	Application will be made for all of the New Ordinary Shares issued and to be issued in connection with the Issue to be admitted to trading on the London Stock Exchange's main market for listed securities. No application has been made or is currently intended to be made for the New Ordinary Shares to be admitted to listing or trading on any other exchange.
C.7	**Dividend policy**	The Board targets a dividend of 2 per cent. per annum of NAV. The Company pays a scrip dividend annually. Shareholders have the option to elect to receive this dividend in cash.
Section D – Risks		
D.1, D.2	**Key information on the key risks specific to the issuer and its industry**	• There can be no assurance that any target returns will be achieved. • Following Admission, Wellcome Trust, through Wellcome Ventures, will hold more than 30 per cent. of the Shares in the capital of the Company. As a consequence of Wellcome Trust's significant ongoing shareholding, its influence on the Company may be substantial. This influence may have an impact over all matters requiring the approval of Shareholders. • The Issue and the Firm Placing and the implementation of the Proposed Transaction are each conditional upon the Company receiving Shareholder approval for all of the Implementation Resolutions, upon Shareholders voting against the Discontinuation Vote and upon the Company receiving an equal or greater number of subscriptions for Ordinary Shares in the Issue than it does elections by Selling Shareholders to sell Sale Shares under the Liquidity Facility. • As part of the Proposed Transaction, the Company will amend its Investment Policy which will substantially change the Company's longer-term investment focus to allow it to make Life Science Investments. There can be no guarantee that the Company's investment performance will improve as a result of this proposed change.

		• The Company is acquiring the Initial Life Science Portfolio at prices derived from its estimated fair value. There can be no guarantee that the estimated valuation, on which the purchase price has been based, will not prove to have been overstated and it may vary (perhaps materially) from the actual value of the Initial Life Science Portfolio. • The value of the Company as a whole may ultimately be dominated by a single or limited number of Life Science Investments. • If one or more of the intellectual property rights relevant to a substantial Life Science Investment was impaired this would have a material adverse impact on the overall value of the Company. • Early stage Life Science Investments have limited product ranges in development and are more speculative than other Life Science Investments. Investing in drug development and medical innovation projects is inherently very speculative. • The Company's ability to successfully commercialise its Life Science Investments or to attract potential strategic partners may depend, in part, on the price levels and the extent to which reimbursement for the costs of treatment relating to diagnostic and other products will be available from government health administration authorities, private health insurers and other third party payers. • The Group's Fund Investments may be concentrated with one or more underlying investment managers or in one or more investment sectors. • Many of the Fund Investments and Life Science Investments are illiquid and long-term and may not be readily realisable. • Failure by the Investment Management Team or other third party service provider to carry out its obligations could have a materially adverse effect on the Company's performance and the value of the Ordinary Shares. • The Company is reliant on the discretion and expertise of the Investment Management Team when disposing of underperforming Fund Investments and Life Science Investments.
D.3	**Key information on the key risks specific to the securities**	• Shareholders will have no rights of redemption for Ordinary Shares and must rely on the existence of a liquid market in order to realise their investment. • The monthly NAV figures published by the Company are estimated only and may be materially different from actual results. They may also be different from figures appearing in the Company's financial statements. • The Net Asset Value fluctuates over time by reference to the performance of the Company's investments and changing valuations. • The Ordinary Shares may trade at a discount to Net Asset Value. • The ability of certain persons to hold Shares may be restricted as a result of ERISA or other considerations. • The Shares will be subject to purchase and transfer restrictions in the Issue and in secondary transactions in the future. • When the lock-up arrangements to which the Company and the Firm Placees are subject expire, more Ordinary Shares may become available on the market which could reduce the market price of the Ordinary Shares. • Shareholders are being offered the opportunity to sell their shares to incoming investors which could reduce the number of New Ordinary Shares to be issued by the Company.

		• If Shareholders do not take up their entitlement to subscribe for further Ordinary Shares under the Open Offer, their ownership of existing Ordinary Shares will further be diluted upon allotment and issue of the New Ordinary Shares. Shareholders ownership of existing Ordinary Shares will, notwithstanding any election to subscribe in the Open Offer, be diluted by the Firm Placing.
Section E – Offer		
E.1	**Total net proceeds / estimate of the total expenses of the issue / offer / estimated expenses charged to the investor**	The Company will issue 264,334,417 New Ordinary Shares under the Firm Placing at the Offer Price. In addition, the Company will issue up to 121,938,563 New Ordinary Shares through the Issue. The number of New Ordinary Shares that the Company will issue under the Issue will be reduced by the number of Sale Shares that Shareholders elect to sell. The Offer Price of 131.15 pence per New Ordinary Share represents a premium of approximately 0.11 per cent to the middle market closing price for an existing Ordinary Share of 131.00 pence on 25 November 2016 and a 1.35 per cent. premium to the NAV per share as at 31 October 2016. The New Ordinary Shares have no par value. All Ordinary Shares in issue on Admission will be fully paid. All Ordinary Shares in issue on Admission will be fully paid. The costs and expenses of the Issue will be borne by the Company in full and are not expected to exceed 1.35 per cent. of the gross proceeds of the Issue.
E.2a	**Reasons for the offer, use of proceeds, estimated net amount of the proceeds**	The Company expects to raise £346,674,588 through the proceeds of the Firm Placing and up to £159,922,425 through the proceeds of the Issue. The number of New Ordinary Shares that the Company will issue under the Issue will be reduced by the number of Sale Shares that Selling Shareholders elect to sell. As a result, the proceeds received by the Company from the Issue will be reduced by an amount equal to the product of the Offer Price and the number of Sale Shares that Selling Shareholders have elected to sell. The Company will use such proceeds to acquire the Initial Life Science Portfolio and to fund other Life Science and Fund Investments.
E.3	**A description of the terms and conditions of the offer**	The Issue commences on the date hereof. The Company will issue 264,334,417 New Ordinary Shares under the Firm Placing at the Offer Price. The Company will issue up to 121,938,563 New Ordinary Shares under the Placing at the Offer Price. Under the Open Offer, Shareholders may subscribe for 6 Ordinary Shares for every 19 Ordinary Shares held at the Record Date. The number of New Ordinary Shares that the Company will issue under the Issue will be reduced by the number of Sale Shares that Selling Shareholders have elected to sell. The latest time for receipt of applications under the Open Offer will be 11 a.m. London time on 14 December 2016. Applications will be made for the New Ordinary Shares to be listed on the Official List and admitted to trading on the London Stock Exchange. It is expected that Admission will become effective, and that unconditional dealings in the New Ordinary Shares will commence, at 8am London time on 19 December 2016. The Issue is not being underwritten by the Sponsor.

E.4	**Material / conflicting interests**	Not applicable. There are no interests material to the Issue including conflicting interests.
E.5	**Name of the person or entity offering to sell the security** **Lock-up agreements: the parties involved; and indication of the period of the lock up**	Shareholders are being offered the opportunity to sell their Sale Shares as part of the Liquidity Facility. The Company is subject to lock-up arrangements for 180 days from the date of Admission, subject to certain customary exceptions. Each of the Firm Placees has separately entered into a Subscription and Lock-Up Agreement in favour of the Company and the Bookrunner. Under the Subscription and Lock-Up Agreements each of the Firm Placees agrees to subscribe for its specified number of Ordinary Shares in the Firm Placing and not to dispose of such Ordinary Shares for a period of 24 months from the date of Admission, subject to the exceptions detailed below. The Firm Placees shall be permitted to dispose of their Ordinary Shares: (a) with the prior written approval of the Company and the Bookrunner (which approval may be granted or declined at their absolute discretion acting in good faith); (b) pursuant to any offer by the Company to purchase its own Ordinary Shares made on identical terms to all Shareholders; (c) in acceptance of a takeover offer; (d) pursuant to a compromise or similar arrangements between the Company and its members or creditors or any class of them or an intervening court order; (e) to raise monies to discharge any tax liability (including but not limited to income tax or inheritance tax liabilities, PAYE and national insurance contributions or similar imposts in any applicable jurisdiction) and any interest, surcharges or penalties connected therewith arising in relation to their acquisition, holding or disposal of Ordinary Shares; or (f) to any person, entity or trust with whom the Firm Placee (or its connected persons) is connected. The Company has also agreed with CRUK that it shall be permitted to dispose of its Ordinary Shares, notwithstanding any lock-up arrangements, where: (a) the Company proposes a material change to the Proposed Investment Policy that would have the effect of either permitting the provision of investment or support by the Company to a Tobacco Company or reducing the Company's commitment to oncology projects or Life Science Investments with a sole or dominant focus on oncology; (b) the Company: (i) invests or supports a Tobacco Company in breach of its published investment policy; or (ii) has knowingly or unknowingly, directly or indirectly, invested in a Tobacco Company and has not divested of such investment as soon as reasonably practicable following a request from CRUK to make such a divestment; or (c) CRUK becomes aware that any Tobacco Company owns or is otherwise interested in five per cent. or more of the Company's Ordinary Shares.
E.6	**Dilution**	The Company's issued Ordinary Share capital will be increased by up to 100 per cent. by the Firm Placing and the Issue.

		Qualifying Shareholders who do not participate at all in the Open Offer and Excluded Shareholders will have their proportionate ownership and voting interest in the Ordinary Shares and the percentage that their existing Ordinary Shares represent of the issued share capital of the Company reduced by up to 50 per cent. Notwithstanding any participation in the Open Offer, Shareholders will have their proportionate ownership and voting interest in the Ordinary Shares reduced as a result of the implementation of the Firm Placing and as a result of the increased size of the Company's issued share capital.
E.7	**Estimated expenses charged to the investor**	Not applicable. The costs and expenses of the Issue are not expected to exceed 1.35 per cent. of the gross proceeds of the Issue and will be borne by the Company in full. The costs and expenses of the Issue are expected to be approximately £6.6 million, assuming the maximum New Ordinary Shares are issued pursuant to the Issue.

RISK FACTORS

An investment in the Company, and more specifically the Ordinary Shares, carries a number of risks, including the risk that the entire investment may be lost. In addition to all other information set out in this Prospectus, the following specific factors should be considered when deciding whether to make an investment in the Ordinary Shares. Prospective investors should note that the risks relating to the Company, its industry and the Ordinary Shares summarised in the section of this document headed "*Summary*" are the risks that the Directors and the Proposed Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "*Summary*" but also, among other things, the risks and uncertainties described below. The risks set out below are those which are considered to be the material risks relating to an investment in the Ordinary Shares and the Company but are not the only risks relating to the Ordinary Shares or the Company. Additional risks and uncertainties of which the Company is presently unaware or that the Company currently believes are immaterial may also adversely affect the Company's business, financial condition, results of operations or the value of the Ordinary Shares. No assurance can be given that Shareholders will realise profit on, or recover the value of, their investment in the Ordinary Shares. It should be remembered that the price of the New Ordinary Shares and the income from them can go down as well as up. The Ordinary Shares are only suitable for investors who understand the potential risk of capital loss and who understand and are willing to assume all of the risks involved in investing in the Ordinary Shares.

RISKS RELATING TO THE IMPLEMENTATION OF THE PROPOSED TRANSACTION

The Issue and the Firm Placing and the implementation of both the Proposed Transaction and the Liquidity Facility are each conditional upon the Company receiving Shareholder approval for all of the Implementation Resolutions, upon Shareholders voting against the Discontinuation Vote and upon the Company receiving an equal or greater number of subscriptions for Ordinary Shares in the Issue than it does elections by Selling Shareholders to sell Sale Shares under the Liquidity Facility

The Issue and the Firm Placing and the implementation of both the Proposed Transaction and the Liquidity Facility are each conditional upon:

a) the passing of the Implementation Resolutions and the Discontinuation Vote not having passed; and

b) the Company having received subscriptions for a number of Ordinary Shares under the Issue (which, for the avoidance of doubt, shall exclude the subscriptions for New Ordinary Shares by the Firm Placees as part of the Firm Placing), which is equal to or exceeds the number of Sale Shares that Selling Shareholders have elected to sell.

There can, therefore, be no guarantee that each of these conditions will be met and therefore no guarantee that the Issue, the Firm Placing. the Proposed Transaction or the Liquidity Facility will proceed.

All of the Implementation Resolutions must be passed for the Issue, the Firm Placing, the Proposed Transaction or the Liquidity Facility to go ahead.

As part of the Proposed Transaction, the Company will amend its Investment Policy which will substantially change the Company's longer-term investment focus. There can be no guarantee that the Company's investment performance will improve as a result of this proposed change

There can be no guarantee that the Company's investment performance or share price will improve as a result of implementation of the Proposed Transaction. It is possible that the future investment performance of the Initial Life Science Portfolio or the Company's future Life Science Investments may not be as successful as the past performance of its Fund Investments. Shareholders should bear in mind that past performance is no guarantee of future performance.

There can be no guarantee that the future investment performance of the Fund Investments will improve as a result of the implementation of the Proposed Transaction, in particular, if the Company loses its ability to invest or reduces the number of Fund Investments which are made on a "gross return" basis with the managers of its underlying Fund Investments.

Further, if the Proposed Transaction is implemented, whether or not the future investment performance of the Initial Life Science Portfolio or the future Life Sciences Investments is positive, there can be no guarantee that the Company's shares will not trade at a discount to its Net Asset Value in the future.

There is no guarantee that the market price of the Shares will fully reflect their underlying Net Asset Value at any time. As with all listed investment company shares, the discount (or premium) to the Net Asset Value at which Shares trade may fluctuate from day to day, depending on factors such as supply and demand, market conditions and general sentiment. Whether or not the Proposed Transaction is implemented the price of the Company's shares may fluctuate relative to Net Asset Value.

Risks arising from changes to the Company's investment management function

From the Implementation Date, the Company intends to:

- replace BACIT UK, as the Company's AIFM, with SIML (subject to SIML receiving the relevant regulatory approvals from the FCA as described below), which will employ the Life Science Investment Management Team. SIML will have overall responsibility for managing both the Company's Fund Investments and its Life Science Investments, together with responsibility for allocating capital to the making of Fund Investments or Life Science Investments; and
- SIML will sub-delegate the management of the Company's Fund Investments to BACIT UK and the Fund Investment Management Team.

The replacement of BACIT UK, as the Company's AIFM, with SIML is dependent upon SIML receiving the relevant regulatory approvals from the FCA to, amongst other things, act as the Company's AIFM.

There are a number of risks associated with the intended changes to the Company's investment management function which include (but are not limited to):

- Each of the Fund Investment Management Team and the Life Science Investment Management Team have separate skill sets and investor relationships. Any inability of the Fund Investment Management Team and the Life Science Management team to work effectively together could jeopardise the Company's ability to make investments. In particular, in respect of Fund Investments, such inability to work effectively together could jeopardise the Company's ability to maintain its relationships with the underlying fund managers with which it invests.
- There is no guarantee that SIML or the Life Science Investment Management Team will receive the required regulatory approvals from the FCA on a timely basis or at all.

RISKS RELATING TO THE COMPANY

There can be no assurance that any target returns will be achieved

The target return set out in this Prospectus is a target only (and, for the avoidance of doubt, is not a profit forecast). There can be no assurance that the Company will meet such a target, or any other level of return, or that the Company will achieve or successfully implement or achieve its investment objective. The existence of the target return figures should not be considered as an assurance or guarantee that they can or will be met by the Company. The target return is based on the Company's assessment of appropriate expectations for returns on the investments that the Company makes and proposes to make. There can be no assurance that these assessments and expectations will be proved correct and failure to achieve any or all of them may materially adversely impact the Company's ability to achieve the target return. In addition, the target return figure is based on estimates and assumptions regarding a number of other factors, including, without limitation, asset mix, holding periods, the availability of investments and the absence of material adverse events affecting specific investments including economic and market conditions, changes in law, taxation, regulation or governmental policies either generally or in specific countries in which the Group may invest or may seek to invest. Many, if not all, of these factors are (to a greater or lesser extent) beyond the Company's control and all could adversely affect the Company's ability to achieve the target return. Failure to achieve the target return could, among other things, have a material adverse effect on the Company's share price. Potential investors should decide for themselves whether or not the target return is reasonable or achievable in deciding whether to invest in the Company.

The Company is dependent on the services and the management performance of the Investment Management Team

Following the Implementation Date the Company will delegate its investment management function to the Investment Management Team (as described further in Part III "*Investment Management Team*" of this Prospectus) to manage the Company's investments and to make new investment decisions on the basis of the Company's prevailing investment policy.

The Board will have information rights in respect of the performance of the Investment Management Team but will have only limited rights of approval or veto in respect of certain investment decisions made by the Investment Management Team (which must at all times comply with the Company's prevailing investment policy).

The Company will be dependent on the ability of the Investment Management Team to provide investment management services successfully, in particular being able to identify appropriate investment opportunities as well as to assess the import of news and events that may affect such investment opportunities. In turn, the successful investment management performance of the Investment Management Team is dependent upon the expertise of its members in providing investment management services. Failures by the Investment Management Team to properly discharge their responsibilities and obligations to the Company could result in breaches by the Company of applicable laws or regulations, which could have an adverse impact on the Company but would not permit termination by the Company of its relationship with the Investment Management Team without complying with certain remedial periods and making certain termination payments. The past performance of the Fund Investment Management Team cannot be construed or in any way relied upon as an indication of future results.

Changes in law or regulations may adversely affect the Company's ability to carry on its business

The Company is subject to laws and regulations of national and local governments. In particular, the Company is subject to, and will be required to comply with, certain regulatory requirements that are applicable to registered closed-ended collective investment schemes which are domiciled in Guernsey. These include compliance with the Registered Collective Investment Schemes Rules 2015 and decisions of the GFSC. In addition, the Company will be subject to certain continuing obligations imposed by the Disclosure and Transparency Rules and the Listing Rules of the FCA (or any substitute regulator) applicable to companies with shares admitted to the Official List and traded on the London Stock Exchange. Any material changes to these laws or regulations could adversely affect the Company or its ability to operate in accordance with any such changed requirements and therefore adversely affect the returns that Shareholders may receive from the Company.

In addition, government regulation may adversely affect the ability of the Company to pursue its investment objective or to obtain leverage, either at the levels it seeks or at all by restricting the use or enforceability of certain types of contracts or investments, or by imposing capital controls, disclosure obligations or other limitations or regulatory requirements. Any such restriction on the Company's operations, or losses caused by the imposition of such controls affecting current investments or transactions in progress could have a material adverse effect on the performance of the Company and the value of the Ordinary Shares.

Changes in tax laws, tax authority interpretation or regulation affecting the Group or the unexpected imposition of tax on its investments could adversely affect its performance

There can be no assurance that the net income of any member of the Group deriving from Fund Investments will not become subject to tax in one or more countries as a result of the way in which activities are performed by the Group, adverse developments or changes in tax law or practice, contrary conclusions by the relevant tax authorities or other causes. The imposition of any such unanticipated net income taxes could materially reduce the Group's post-tax returns, which could have a material adverse effect on the performance of the Company and returns to Shareholders. Changes to the tax laws of, or practice in, Guernsey, the UK or any other tax jurisdiction affecting the Group could adversely affect the value of the investments held by the Company and decrease the post-tax returns to Shareholders. Additionally, gross income and gains arising on the investments themselves may be subject to certain taxes which may not be recoverable by the Group.

The OECD Action Plan on Base Erosion and Profit Sharing could result in domestic legislation with negative consequences to the Company's tax liability

The OECD's Action Plan on Base Erosion and Profit Shifting ("**BEPS**"), published in 2013, seeks to address perceived flaws in international tax rules. It sets out 15 actions to counter BEPS in a comprehensive and coordinated way. The final reports on these 15 actions were published on 5 October 2015 and it is the responsibility of the OECD members to consider how the BEPS recommendations should be reflected in domestic national legislation. It is possible that the implementation of the BEPS actions in specific jurisdictions may have negative implications for the Company.

Risks relating to investment into trading partnerships

The Group may be subject to taxation in relation to income generated from trading partnerships into which the Company invests. For example, non-UK corporate members of a UK trading partnership are, broadly speaking, subject to UK tax on their share of the partnership's income and gains. Such taxes could adversely affect the post-tax returns to Shareholders.

The US Foreign Account Tax Compliance Act may impose a withholding tax on certain payments received by the Company unless the Company reports certain information about its Shareholders to the Guernsey tax authorities for onward transmission to the U.S. Internal Revenue Service, and may impose a withholding tax on payments received by certain Shareholders

FATCA

FATCA generally imposes an information reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to certain non-US financial institutions ("**FFIs**") (which includes entities such as the Company) that (x) do not enter into and comply with an agreement entered into with the US Internal Revenue Service ("**IRS**") pursuant to Section 1471(b) of the Code (an "**FFI Agreement**") to provide certain information on the holders of its debt or equity (other than debt or equity interests that are regularly traded on an established securities market) or (y) do not comply with FATCA due diligence and reporting requirements contained in an IGA in respect of FATCA between the US and the FFI's home jurisdiction and domestic law of that home jurisdiction implementing such IGA. Guernsey has entered into an IGA with the US in relation to FATCA and has adopted local implementing legislation, pursuant to which, and subject to any available exemptions, the Company will be required to carry out due diligence and report information on its financial accounts held by certain Shareholders to the Guernsey tax authorities for onward reporting to the IRS.

Payments from US sources (for US federal income tax purposes) and payments not from US sources but attributable to US-source payments ("**foreign passthru payments**") are potentially subject to withholding under FATCA. The FATCA withholding regime currently applies to payments from US sources, and is expected to be extended to apply to foreign passthru payments no earlier than 1 January 2019. If the Company fails to comply with Guernsey legislation implementing FATCA, it is possible that the Company may be subject to FATCA withholding on certain payments it receives. If payments made to the Company were subject to withholding under FATCA, the return to Shareholders would be adversely impacted.

Under the FATCA IGA between the US and Guernsey, as well as Guernsey's implementation of that IGA, the Company is required to collect information on the holders of "financial accounts" with the Company. However, securities that are "regularly traded" on an established securities market, such as the main market of the London Stock Exchange, are not considered financial accounts and are not subject to reporting. For these purposes, the Ordinary Shares will be considered "regularly traded" if there is a meaningful volume of trading with respect to the Ordinary Shares on an ongoing basis. Notwithstanding the foregoing, an Ordinary Share will not be considered "regularly traded" and will be considered a financial account if the holder of the Ordinary Share (other than a financial institution acting as an intermediary) is registered as the holder of the New Ordinary Share on the Company's share register. Such Shareholders will be required to provide information to the Company to allow the Company to satisfy its obligations under FATCA, although it is expected that whilst an Ordinary Share is held in uncertificated form through CREST, the holder of the Ordinary Share will likely be a financial institution acting as an intermediary. Additionally, even if the Ordinary Shares are considered regularly traded on an established securities market, Shareholders that own Ordinary Shares through a financial intermediary may be required to provide information to such financial intermediary in order to allow the financial intermediary to satisfy its obligations under FATCA.

Notwithstanding the foregoing, the relevant rules under FATCA may change and, even if the Ordinary Shares are considered regularly traded on an established securities market, Shareholders may, in the future, be required to provide information to the Company in order to allow the Company to satisfy its obligations under FATCA.

In addition, the Company (and other FFIs through which payments on the Shares are made) may in the future be required to withhold on foreign passthru payments paid to (i) other FFIs that have not entered into an FFI Agreement (or are not otherwise exempt from or in deemed compliance with FATCA under an applicable IGA) and (ii) Shareholders that do not provide sufficient information about themselves to determine if the payment is beneficially owned by a US person or a non-US entity with substantial US owners. It is uncertain what payments made by the Company could constitute foreign passthru payments subject to withholding, and under present law there will be no withholding on foreign passthru payments under FATCA prior to 1 January 2019. However, if an amount were required to be withheld from any payment on the Ordinary Shares under FATCA, neither the Company nor any other person would be required to pay additional amounts as a result of such withholding.

Common Reporting Standard (''CRS'')

On 13 February 2014, the OECD released the CRS. This global standard for the automatic exchange of financial account information was modelled largely on the U.S. FATCA regime but with some notable differences. On 29 October 2014, 51 jurisdictions signed the Multilateral Agreement that activates this automatic exchange of FATCA-like information in line with the CRS. There are now in excess of 100 jurisdictions signed up for implementation.

Guernsey, along with over 50 other jurisdictions (including the UK), has implemented the CRS with effect from 1 January 2016. Pursuant to the CRS, certain disclosure requirements may be imposed in respect of certain Shareholders who are, or are entities that are controlled by one or more natural persons who are, residents of any of the jurisdictions that have implemented the CRS. It is expected that, where applicable, information that would need to be disclosed will include certain information about Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. As a result, Shareholders may be required to provide any information that the Company or the Administrator determines is necessary to allow the Company to satisfy its obligations under such measures. Shareholders that own the Ordinary Shares through a financial intermediary may instead be required to provide information to such financial intermediary in order to allow the financial intermediary to satisfy its obligations under the CRS.

To date the U.S. has shown no intent to participate in the regime. Implementation for early adopters (including Guernsey) began on 1 January 2016, with jurisdictions pledging to work towards the first information exchanges taking place by September 2017. Others are expected to follow with information exchange starting in 2018.

FATCA and the CRS are particularly complex. All Shareholders and prospective investors should consult their advisors regarding the application of the withholding rules and the information that may be required to be provided and disclosed to the Company (or its withholding agents) and tax authorities pursuant to FATCA, the CRS or other similar reporting regimes.

If a Shareholder fails to provide the Company with information that is required to allow it to comply with any of the above reporting requirements, or any similar reporting requirements, adverse consequences may apply.

Actions by the Company or changes in UK tax law or HMRC practice could lead to the Company being regarded as an "offshore fund" for UK tax purposes

Certain non-UK resident funds are categorised as ''offshore funds'' under Part 8 of the Taxation (International and Other Provisions) Act 2010 (the ''offshore fund rules''). If a fund is categorised as an offshore fund, that fund may elect to be a ''reporting fund'', in which case (assuming that the fund vehicle is a corporate body rather than a partnership) investors will be subject to tax on income in respect of amounts distributed to them by the offshore fund and their respective proportions of the amount by which the fund's ''reportable income'' exceeds distributions made by it. Accordingly, investors in reporting funds may suffer ''dry'' tax charges on undistributed income. Any capital gains realised on disposals of interests in a reporting fund (which will be treated as effectively reduced for UK tax purposes by such amount of the gain as is attributable to undistributed income which has already been taxed under the reporting fund regime) will however be respected as capital gains for UK tax purposes with the result that UK individual investors will be subject to tax on such gains at

applicable capital gains tax rates (at a maximum rate of 20 per cent. for the tax year 2016-2017) as opposed to income tax rates (the highest marginal rate for UK income tax for the tax year 2016-2017 being 45 per cent.). If a fund does not elect to be a reporting fund, then (assuming that the fund vehicle is a corporate body rather than a partnership) investors in it will be taxed on amounts distributed to them by the offshore fund as income and any capital gains realised on disposal of their interests in the offshore fund will be taxed as if those gains were income. Therefore, whilst investors in a non-reporting fund should not suffer ''dry'' tax charges, non-reporting fund status is particularly unattractive for UK investors because all returns on investment are taxed as income, not capital gains, for UK tax purposes.

On the basis of advice received, the Company considers that it should not be categorised as an ''offshore fund'' under the offshore fund rules. This is on the basis that Shareholders should not expect to be able to realise, at any particular time or within any particular time frame, all or part of an investment in the Ordinary Shares on a basis calculated entirely or almost entirely by reference to the Net Asset Value per Share, notwithstanding the existence of a discretion on the part of the Directors to take steps to mitigate any discount to the Net Asset Value per Share at which the Ordinary Shares trade. However, HMRC could dispute the view that the Company is not an ''offshore fund'' and, in addition, it is possible that, as a result of certain actions taken by the Company (including certain steps implemented with a view to managing discount or providing liquidity), or of changes in UK tax law or in HMRC practice, the Company could be regarded as an ''offshore fund'' in the future (with the result that Shareholders would then be treated as if their Ordinary Shares had always fallen within the offshore fund rules).

The imposition of withholding tax on distributions or other payments received or made by the Company could materially reduce the value of the Shares and the return to Shareholders

No withholding tax is currently imposed in respect of distributions or other payments on the Shares. There can be no assurance, however, that the position will not change in the future as a result of a change in any applicable law, treaty or regulation, the official application or interpretation thereof by the relevant tax authorities or other causes. The imposition of any unanticipated withholding tax could materially reduce the value of the Shares.

Certain of the funds in which the Company invests, or the assets held by those funds, may be the subject of taxation in the jurisdictions in which they are based or operate. Further, distributions from those funds or assets may be the subject of withholding taxes or other deductions, including by virtue of the status of the Company, and any such withholding or deduction may be irrecoverable. For instance, investments which constitute interests in U.S. real property within the meaning of the U.S. Foreign Investment in Real Property Tax Act may be the subject of withholding taxes on their disposal which may not be refundable. While the Group may attempt to utilise techniques to minimise the amount of any such withholding or deductions, no assurance can be given that they will be capable of amelioration, whether in whole, in part or at all.

Local taxes are expected to apply at the jurisdictional level on profits arising in operating entity investments, including the Life Science Investments. In addition, withholding taxes may apply to distributions from operating entities or to licensing income arising to such operating entities from certain jurisdictions (notably the United States). These local and withholding taxes will affect overall returns to Shareholders.

Influence of the principal shareholder

Following Admission, Wellcome Trust, through Wellcome Ventures, will hold more than 30 per cent. of the Shares in the capital of the Company. As a consequence of Wellcome Trust's significant ongoing shareholding, its influence on the Company may be substantial. This influence may have an impact all matters requiring the approval of shareholders, including the approval of any material change to the Company's investment policy and the approval of takeovers, acquisitions, mergers or other related transactions. Although the Company and Wellcome Ventures have entered into the Relationship Agreement, further details of which are set out in Section 6 of Part XI ''*Additional Information*'' of this document, which provides, *inter alia*, that the Company's independence will be maintained, there is a risk that Wellcome Ventures may seek to impose other duties and obligations on the Company. The trading price of the Ordinary Shares could be adversely affected if potential new investors are disinclined to invest in the Company because they perceive disadvantages to a large shareholding being concentrated in the hands of a single shareholder or group of connected shareholders.

NMPI Regulations may restrict the Company's ability to raise further capital from retail investors

The Unregulated Collective Investment Schemes and Close Substitutes Instrument 2013 (the "**NMPI Regulations**") extend the application of the existing UK regime restricting the promotion of unregulated collective investment schemes by FCA authorised persons (such as independent financial advisers) to other "non-mainstream pooled investments" (or NMPIs). FCA authorised independent financial advisers and other financial advisers are restricted from promoting NMPIs to retail investors who do not meet certain high net worth tests or who cannot be treated as sophisticated investors. This would prevent the promotion of the Company's shares both in relation to new capital raises and in connection with secondary market trading and may adversely affect the secondary market in the Company's shares.

In order for the Company to be outside of the scope of the NMPI Regulations, the Company must rely on the exemption available to non-UK resident companies that are equivalent to investment trusts. This exemption provides that a non-UK resident company that would qualify for approval by HMRC as an investment trust were it resident and listed in the UK will be excluded from the scope of the NMPI Regulations. The principal relevant requirements to qualify as an investment trust are that: (1) the Company's 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; (2) the Ordinary Shares must be admitted to trading on a regulated market; (3) the Company must not be a close company (as defined in Chapter 2 of Part 10 CTA 2010); and (4) the Company must not retain in respect of any accounting period an amount which is greater than 15 per cent. of its income.

The Company conducts its affairs, and intends to continue to conduct its affairs, such that the Company would qualify for approval as an investment trust if it were resident in the UK. If the Company is unable to meet those conditions in the future, for any reason, consideration would be given to applying to the FCA for a waiver of the application of the NMPI Regulations in respect of the Company's Shares.

If the Company ceases to satisfy the non-UK investment trust exemption to the NMPI Regulations, the ability of the Company to raise further capital from retail investors and the liquidity of the secondary market in the Company's shares may be adversely affected.

GENERAL INVESTMENT RISKS

Many of the Company's Fund Investments and Life Science Investments are illiquid and long-term and may not be readily realisable

Many of the Fund Investments and Life Science Investments made by the Company are illiquid and long-term, for instance, they are not capable of being realised for a period in excess of five years. Certain of such investments could be sold in advance of such a time frame, but not necessarily at an attractive price. Accordingly, although the Company has in place measures which may limit its life in certain circumstances, it may not be possible to realise all of the Group's investments on a timely basis, which may prolong the process of winding up the Company.

The vote by the United Kingdom electorate in favour of the UK's exit from the European Union in the "in-or-out referendum" on 23 June 2016 could adversely impact the Company's business, results of operations and financial condition

Following the in-or-out referendum held on 23 June 2016, which was in favour of the UK exiting the European Union (commonly referred to as "**Brexit**"), it is expected that a process of negotiation will commence between the UK and EU Member States to determine the future terms of the United Kingdom's relationship with the European Union.

The Bank of England has commented on the possible UK financial stability risk of Brexit. In oral evidence given to the House of Commons Treasury Select Committee, (in the Committee hearing entitled "The economic and financial costs and benefits of UK membership of the EU" held on 8 March 2016 at the Houses of Parliament), the Governor of the Bank of England, Dr. Mark Carney, gave evidence. In response to a question on possible financial instability caused by Brexit, Dr. Carney responded: *"The issue [Brexit] is the biggest domestic risk to financial stability, in part because of the issues around uncertainty, but also because it has the potential, depending on how it is prosecuted and how these issues can be addressed, to amplify risks around the current account, as has been discussed, potential risks around housing, potential risks around market functioning, which we are trying to mitigate, and associated risks with respect to the euro area, which would have a feedback."*

Depending on the terms negotiated between EU Member States and the UK following Brexit, the United Kingdom could lose access to the single European Union market and to the global trade deals negotiated by the European Union on behalf of its members. Such a decline in trade could affect the attractiveness of the United Kingdom as an investment centre and, as a result, could have a detrimental impact on corporate growth. Accordingly, the Company could be adversely affected by reduced growth and/or volatility in the United Kingdom economy and as a result, any of the foregoing factors could have a material adverse effect on the business or financial condition of the Company.

RISKS RELATING TO LIFE SCIENCE INVESTMENTS

The Company intends to commit certain of the proceeds of the Firm Placing and the Issue to funding the Proposed Transaction which would result in the Group acquiring, indirectly, the Initial Life Science Portfolio. The Company also intends, from the Implementation Date, to commit further capital to the making of Life Science Investments.

Initial Life Science Portfolio purchase price

The Company is acquiring the Initial Life Science Portfolio at prices derived from its estimated fair value. The fair value has been arrived at on the basis of two separate valuations (in respect of the underlying assets held by the Pioneer Fund and the assets held by Syncona) carried out by the Life Science Investment Management Team. The Company has received third party valuation advice confirming that the estimated fair value is within a reasonable range as compared with the valuations of similar types of assets. There can be no guarantee that the estimated valuation, on which the purchase price has been based, will not prove to be materially different from the actual value of the Initial Life Science Portfolio. In such a case, the Company's Net Asset Value and Shareholder returns may be adversely affected.

Early stage Life Science Investments have limited product ranges in development and are more speculative than other Life Science Investments

The Company will make investments in and provide funding to early stage Life Science Investment businesses. Such early stage businesses may have limited product ranges in development and, consequently, any problems encountered on one product may have a particularly damaging effect on the prospects of that Life Science Investment business. Early stage Life Science Investment businesses will spend a considerable proportion of their resources on research and development which may prove to be commercially unproductive and may require the injection of further capital by the Company in order to fully exploit the results of that research. It may take time and significant resources for the Company to realise its investment in an early stage Life Science Investment business and such business or opportunity may not grow rapidly.

The Life Science Investment Management Team may fail to identify or its Life Science Investment businesses may fail to develop the most promising new technologies in the healthcare and life science sector markets or translate promising scientific theory into commercially viable business opportunities

The Company's business model with respect to Life Science Investments is dependent, to a significant degree, on the ability of the Life Science Investment Management Team to identify, review and evaluate potentially promising new life science technologies through the Life Science Investment Management Team's contacts and existing expertise in the healthcare and life science sector. The Life Science Investment Management Team may fail to identify the most promising new technologies for any number of reasons, including, in the case of externally sourced technologies, because it lacks a relationship with the relevant institution, or because the institution has already transferred ownership of, or granted a licence to, the relevant intellectual property to others in instances where the Company does not have exclusivity.

Although the Company will have relationships with two leading participants in the life science industry there will inevitably be potentially relevant institutions with which it does not have a relationship.

Even where a Life Science Investment company is successful in developing or identifying new technologies, it may fail accurately to assess the technical feasibility or commercial prospects of the new technology or may fail to effectively translate scientific theory into commercially viable business propositions. There is no guarantee that technologies to which the Company's Life Science Investment companies have access can in fact be satisfactorily developed into commercially viable products or intellectual property. The new technologies pursued by the Company may be less technically feasible

or less commercially attractive than competing technologies of which the Company or Life Science Investment Management Team is unaware or which it mistakenly views as less attractive.

In addition, development of the new technologies pursued by the Company's Life Science Investment businesses may not be feasible without (i) the identification of suitable personnel to translate promising scientific theory into commercially viable business propositions or (ii) the acquisition of additional intellectual property that cannot be acquired by the Company on commercially acceptable terms, if at all. Any failure by the Company's Life Science Investment businesses to develop promising new technologies or to accurately evaluate technical or commercial prospects of new technologies could adversely affect the business or financial condition of the Company as a whole.

The Company may fail to acquire the rights to promising new technologies on commercially acceptable or most efficient terms

In a competitive environment, there can be no guarantee that the Company will be free of competition for attractive third party technologies and exclusivity agreements may not always be available to be entered into. The negotiation process in respect of any particular piece of intellectual property may be arduous, and its outcome difficult to predict. The Company may not be able to secure the rights it seeks, or where it does, it may be compelled to agree to potentially onerous terms and conditions in order to secure relevant intellectual property.

Any of these arrangements, alone or in combination, may lead to a significant portion of the value of the Company's commercial revenue being payable to others, which could have a material adverse effect on the Company's business or financial condition as a whole.

Investing in drug development and medical innovation projects is very speculative

The provision of finance to drug development and medical innovation projects is very speculative and there can be no guarantee of any return. The Company's Life Science Investments may not prove to be successful or may not prove to have any commercial application. Further, even projects which are successful may not generate any meaningful returns for many years. All of these factors could suppress the Company's investment return and ability to grow NAV.

The Company is reliant on the discretion and expertise of the Life Science Investment Management Team when disposing of or reducing the funding provided to underperforming Life Science Investments

The Company will make and provide funding to a number of different Life Science Investments and it is unlikely that all such investments will be successful or generate any return for Shareholders. The Company is reliant on the discretion and expertise of the Life Science Investment Management Team to dispose of or reduce the amount of funding provided to any underperforming Life Science Investments.

It may be difficult for the Company to limit or scale back its future financial exposure to an underperforming Life Science Investment without disposing of such investment. There can be no guarantee that the Company will be able to dispose of any such Life Science Investment at a price that is attractive for Shareholders and there is a risk that the Company may lose some or all of its capital commitment to that Life Science Investment.

Some Life Science Investments may not be approved by the relevant regulatory agencies

Some assets relating to future Life Science Investments may relate to products that are in clinical development or are not otherwise approved by the relevant regulatory agencies. All clinical trials involve a significant risk of failure and the Company cannot guarantee that such assets will achieve success in clinical trials or receive the appropriate regulatory approvals. There is a risk that regulatory approvals may be obtained with narrower indications than originally sought or unexpected restrictions on use. Failure to gain, or delays in gaining, appropriate regulatory approvals will materially adversely affect the value of such assets, including preventing or delaying the commercialisation of the product which would prevent the generation of, or reduce the amount of, royalty payments. Furthermore, some assets, which are already approved for particular uses and markets, may be acquired with the expectation that certain products will receive further regulatory approvals in relation to additional uses or approvals to market and sell in additional markets. Such expectations may be reflected in the price at which the relevant assets to which these products relate may be acquired by the Company. Failure to gain such additional regulatory approvals may adversely affect the projected income the Company is expected to receive from the asset and therefore adversely affect the Company's Net Asset Value and returns to Shareholders. Even if regulatory approvals are obtained, they may subsequently be suspended or removed, for example as a result of concerns about

quality, safety or efficacy. This may also adversely affect the income the Company expects to receive from the asset.

The profitability of life science or medical technology companies may be affected by failure to comply with applicable regulation

Any failure by any of the Company's Life Science Investment businesses to obtain or maintain, or any delay by any Life Science Investment business in obtaining or maintaining, regulatory approvals could adversely affect the business of that Life Science Investment business and thereby adversely affect the performance of the Company. No Life Science Investment business can be sure that it can obtain necessary regulatory approvals on a timely basis, if at all, for any of the products it is developing or manufacturing or that it can maintain necessary regulatory approvals for its existing products. Factors that could have a material adverse effect on the businesses of Life Science Investments and, as a result, on the Company include delays in obtaining or failing to obtain required approvals, the loss of, or changes to, previously obtained approvals, failure to comply with existing or future regulatory requirements, and changes to manufacturing processes or manufacturing process standards following approval or changing interpretations of these factors.

Regulatory and legislative changes may affect the profitability of healthcare companies

The level of revenues and profitability of life science and medical technology companies may be affected by the efforts of governments and regulators to contain or reduce the cost to the public of healthcare through various means. Governments may directly control the cost of drugs and healthcare products or may establish watchdogs to oversee pricing. The adoption of such legislative and regulatory approaches could have an adverse effect on the business and profitability of Life Science Investment businesses and therefore on the performance of the Company.

The value of the Company as a whole may ultimately be dominated by a single or limited number of Life Science Investments

A large proportion of the overall value of the Company may ultimately reside in a small number of Life Science Investment businesses and could be caused by a single Life Science Investment growing very rapidly into a significant standalone life science company. Accordingly, there is a risk that if one or more of the intellectual property rights relevant to a substantial Life Science Investment business was impaired this would have a material adverse impact on the overall value of the Company. Furthermore, a large proportion of the overall revenue generated by the Company may ultimately be the subject of one, or a small number of, licensed technologies to a Life Science Investment business. Should the relevant licences be terminated or expire this would be likely to have a material adverse effect on the revenue received by the Company. Any material adverse impact on the value of the business of a Life Science Investment could, in the situations described above, have a material adverse effect on the business, financial condition and/or prospects of the Company.

Equity realisations and payments under licences may vary from year to year

As equity realisations from Life Science Investments are expected to be achieved through liquidity events, including trade sales and initial public offerings, the total income receivable by the Company from these sources may vary substantially from year to year. In addition, payments under licences are often subject to milestones which may not be achieved, meaning the total income receivable by the Company from these sources may also vary substantially from year to year. These variations may have a material adverse effect on the business, financial condition and prospects of the Company as a whole.

The Company may not be able to achieve profitable levels of third-party reimbursement for products

The ability of the Company's underlying Life Science Investment companies to successfully commercialise their products or technologies or to attract potential strategic partners to assist in the translation of promising scientific theory to commercially viable business opportunities may depend, in part, on the price levels and the extent to which reimbursement for the costs of treatment relating to diagnostic and other products will be available from government health administration authorities, private health insurers and other third party payers. Governments and other third party payers are increasingly attempting to contain health care costs, in part by challenging the price of medical products and services and restricting eligibility for reimbursement. Health care cost pressure could lead to pricing pressure, which would adversely affect pricing of the products of the Company's Life Science Investment businesses. Seeking and ensuring adequate third party reimbursement can be both time-consuming and costly. It may require the Company's Life Science Investment businesses to

provide scientific and clinical support for the use of each of their products to each third-party payer separately.

The unavailability or inadequacy of third party reimbursement may have an adverse effect on the price level and, consequently, the market acceptance of the diagnostic products of the Company's Life Science Investment businesses. In addition, the Company is unable to forecast what additional legislation or regulation relating to the healthcare industry or third party reimbursement may be enacted in the future, or what effect such legislation or regulation would have on its business. Any such event may have a material adverse effect on the Company's business, financial condition and prospects.

The products of the Company and its Life Science Investment businesses may be complex and, if they contain latent defects, the Company could incur costs and losses

The complexity of the products of the Company' s Life Science Investment businesses increases the risk that latent defects or faults or inadequate training could be discovered by end users after those products have been developed, produced and shipped. This could result in a number of adverse effects on the Company or the relevant Life Science Investment business, including litigation, material recall and replacement costs for product warranty and support, delay in recognition or loss of revenues, loss of market share or failure to achieve market acceptance and diversion of the attention of personnel from development. Customer relationships could also be adversely impacted by the occurrence or recurrence of significant defects. In addition, any defects or other problems with the products of the Company's Life Science Investment business could result in financial or other damage to its customers who could seek damages for their losses. Any claim brought against the Company or a Life Science Investment business, even if unsuccessful, would be likely to be time consuming and costly to defend and could have a material adverse effect on the Company's reputation, business and financial condition.

Intellectual property owned by the Company or a Life Science Investment business may become, or be found to be, invalid or obsolete or uneconomical

The success of the Company's Life Science Investments will depend on the ability of the Company's Life Science Investment businesses to stay ahead of scientific and technological advances. There is no assurance that the Company's competitors will not seek to develop products and/or create intellectual property that are more efficient or effective, or bring products to the market earlier, rendering the products and/or intellectual property of the Company or its Life Science Investment businesses economically unviable or unattractive. There is therefore no guarantee that the Company will, in the future, be able to compete successfully in such a marketplace. Such competition and any failure to compete successfully may have a material adverse effect upon the Company's business and prospects.

The market sectors in which the Company's Life Science Investment businesses will participate are highly competitive and constantly subject to rapid scientific or technological changes. The Company will have competitors engaged in developing and commercialising products in the life sciences sector, including pharmaceutical companies and biotechnology companies. The nature of the competition in the market sectors where the Company's Life Science Investments companies are seeking to operate could materially adversely affect the Company's business, prospects and financial condition.

Intellectual property rights may be challenged invalidated, rendered unenforceable, circumvented, infringed or misappropriated. For example, technology subject to patent applications, and even issued patents, can be invalidated if it is determined that the patents or patent application are based on claims that are excessively broad and they may therefore not be effective to prevent others from utilising inventions or technology which is substantially similar to the intellectual property to which these rights relate (and which becomes publicly disclosed by applying for patent protection). This could have a material adverse effect on the business, financial condition and/or prospects of the Company and its Life Science Investments.

In addition, third parties may already independently own, or may in future develop, similar or superior technologies which may or may not infringe any intellectual property owned, licensed to or used by the Company or any of its Life Science Investment businesses. It is also possible that a patent owned by or licensed to the Company or one of its Life Science Investment businesses may expire or remain in force for only a short period following commercialisation, thereby reducing the benefit of the protection. The limitations on the rights and arrangements relating to intellectual property rights relating to technologies used by the Company or one of its Life Science Investment businesses, the absence of such rights and arrangements in relation to certain technologies and/or the

early expiration of patents or patent applications owned by or licensed to the Company or one of its Life Science Investment businesses could have a material adverse effect on the business, financial condition, trading performance and/or prospects of the Company and its Life Science Investments.

Intellectual property owned by the Company or a Life Science Investment business may not be fully protected and defects could impact the effectiveness of the Group

The success of the Company's Life Science Investments will be dependent upon innovative scientific theory and its effective translation into new medical technologies and the Company will seek to benefit from the intellectual property protection of such theory and technology. The Company will wish to see Life Science Investment businesses create value from developing and commercialising technologies and (where appropriate) protected by appropriate intellectual property rights. However, the theories and technologies are, in many cases, at an early stage and there can be no guarantee that they will be capable of successful further technical development or commercialisation. Any failure of such development or commercialisation could have a material adverse effect on the business, financial condition and/or prospects of the Company and its Life Science Investments.

The intellectual property could be protected by one or more of the following types of protections: patent, trademark, trade dress, copyright, unfair competition and/or trade secret laws, confidentiality obligations or other contractual restrictions. However, these rights and other arrangements may not apply to all technology or intellectual property used by the Company or one its Life Science Investment businesses and, where they do apply, they may provide only limited protection.

The value of the intellectual property owned by or licensed to the Company or one of its Life Science Investment businesses may depend, in part, on how successfully it can be enforced against third party infringers

Intellectual property litigation claims may be defended on a number of grounds, including where third parties can show prior use, or ownership of similar technologies or that a patent licensed to, held by or applied for by the Company or one of its Life Science Investment businesses has been framed too widely. In addition, confidentiality and non-disclosure agreements protecting intellectual property might be breached in circumstances in which the Company or one of its Life Science Investment businesses may not be able to obtain adequate redress for the breach. Despite any efforts by the Company or a Life Science Investment business to protect key technologies by holding and, if necessary, enforcing intellectual property rights relating to them, unauthorised parties may use aspects of such technologies, or may obtain and use without restriction technological or other commercially sensitive information which a Life Science Investment business needs to develop or commercialise its products.

It will be very difficult for the Company and each Life Science Investment business to monitor and identify all instances of use by others of technology which may be infringing intellectual property rights of the Company or a Life Science Investment business. There can be no assurance that the unauthorised use, disclosure or reverse-engineering of such technology will not take place. Any successful defence against an attempt by the Company or a Life Science Investment business to enforce its intellectual property or other rights and any unauthorised use, disclosure or reverse-engineering of the technology to which its intellectual property relates could, if the technology concerned were material to the Company, have a material adverse effect on the business, financial condition and/or prospects of the Company and its Life Science Investments.

Prior to the acquisition of an interest in a Life Science Investment business, the Company may only be able to conduct limited investigations into the strength and scope of the intellectual property rights to use the technologies

Whilst the Company and the Life Science Investment Management Team will conduct an assessment of patentability and potentially competitive technologies, such investigations are limited in scope and frequently do not permit a comprehensive assessment of these risks in particular if the timing of the proposed acquisition of an opportunity does not allow for this. Accordingly, some acquisitions may be made upon the assurances of other owners or managers of a Life Science Investment in the absence of sufficient independent due diligence. Therefore, the Company may not establish the absolute validity or enforceability of licensed intellectual property or conduct an exhaustive review to identify third party technologies which may compete with those which it uses, or in order to identify patents or other intellectual property rights that may be infringed by the use of technology of a potential Life Science Investment. Further, the Company will not in every case of an acquisition of a Life Science Investment obtain opinions of legal counsel as to validity, enforceability, or its own or its licensors' freedom to exploit such technology or intellectual property without infringing the

intellectual property rights of others. There is no certainty that a patent, if sought, will be granted or that, if issued, will be valid or enforceable. As a result of the considerations described above, there is no certainty that intellectual property of a Life Science Investment business will be valid or enforceable. There is no certainty that third parties will not own rights in relation to technology used by a Life Science Investment business which would entitle them to prevent or restrict its use of technologies which are important to its business or prospects.

Licensors of patent applications (and their intellectual property) in favour of the Company or a Life Science Investment business may give limited representations as to ownership or as to the validity, scope or enforceability, of the patents or other intellectual property

As the intellectual property rights licensed to the Company or a Life Science Investment business might be licensed on an "as-is" basis without warranties, the Company or Life Science Investment business may bear the risk of defects in the ownership, validity, scope or enforceability of the licensed patents or other intellectual property.

There can also be no guarantee that any originator of technology (for example, inventors) or other persons, who may have developed the intellectual property, will provide ongoing assistance required for its successful commercialisation by the Company or a Life Science Investment business. This may be essential in the markets in which the Company or Life Science Investment business intends to operate. Any such lack of assistance required for successful commercialisation could have a material adverse effect on the business, financial condition and/or prospects of the Company and its Life Science Investments.

Claims alleging infringement of a third party's intellectual property could result in significant losses and expenses to the Company and the loss of material rights

The value of the intellectual property owned by or licensed to the Company or a Life Science Investment business depends, in part, on how successfully it can be used to defend against claims that the Company or a Life Science Investment business is infringing the intellectual property rights of third parties. The Company or any of its Life Science Investment businesses may, over time, receive notice that it is infringing intellectual property of a third party, or that the intellectual property protection sought by the Company or a Life Science Investment business should not be granted. In addition, the validity of intellectual property rights (such as patents) relating to technology utilised by the Company or a Life Science Investment business may become subject to claims and/or challenges by third parties.

Litigation proceedings in relation to intellectual property rights is a risk in most life science and medical technology businesses and, from time to time, competitors and other third parties may seek to assert the right to restrict the use of patent, copyright, trade mark or other intellectual property rights relating to technologies. Intellectual property litigation can be expensive, complex and lengthy and its outcome is frequently difficult to predict. If the Company or a Life Science Investment business were to receive an infringement claim, the claim could consume significant time, financial and other resources of the Company or the Life Science Investment business, irrespective of its merits, and this might result in key technical and management personnel diverting attention and focus away from their normal duties and responsibilities.

If the Company or a Life Science Investment business were unsuccessful in defending an intellectual property infringement claim, it may have to pay substantial damages and/or legal costs to the successful third party and the Life Science Investment business may have to cease the development, manufacture, use or sale of infringing technologies, products or process, and/or expend significant resources to develop or acquire the right to use non-infringing technology (including by way of a licence). This may materially affect the ability of the Company or a Life Science Investment business to exploit its intellectual property and may result in a loss of value of the Company or the relevant Life Science Investment business. Accordingly, any such event could have a material adverse effect on the business, financial condition and/or prospects of the Company and its Life Science Investments.

The Company has no record in generating gains or revenues through the investment and realisation of Life Science Investment businesses

Whilst the Life Science Investment Management Team has an established practice and model for identifying and evaluating life science opportunities and for setting up new companies for the translation of new medical technologies, the Company has no track record of generating returns from the development or realisation of Life Science Investments.

The ability of the Company to attract new investors depends in part on the market's appetite for investment into healthcare and life science companies with a limited or no trading history. As such, there can be no guarantee that expenditure the Company expects to make, going forward, in respect of Life Science Investments will produce attractive returns for Shareholders. Returns that are lower than expected, or non-existent, could have a material adverse effect on the business, financial condition and prospects of the Company.

The market's demand for funding of early-stage life science companies may impact the Company's ability to realise equity returns

One or more Life Science Investment businesses may have significant funding requirements in the future. The Company may seek to meet these funding requirements through arrangements with external third party investors. The success of the relevant Life Science Investment, and the availability of third party funding, may be influenced by the market's appetite for investment in, or lending to early-stage life science companies. As a result, it may take longer than anticipated for a Life Science Investment company to develop its business or it may not be able to develop the business at all. Consequently, it may take longer for the Company to realise value from equity holdings in the relevant Life Science Investments which have significant funding requirements and the consideration received by the Company may include shares and/or deferred cash consideration, the value of which may depend upon the future performance of the relevant Life Science Investment. Alternatively, the Company may not realise value from such holdings at all.

Any such occurrence may have a material adverse effect on the Group's business, financial condition and prospects.

RISKS RELATING TO THE NATURE AND CHARACTERISTICS OF THE COMPANY'S FUND INVESTMENTS

The Group's investments are affected by the investment policies and decisions and other activities of its underlying investment managers

Because the Group will invest and has invested certain of its assets with underlying Fund Investment managers and into Life Science Investments which may not be directly controlled by the Life Science Investment Management Team, an investment in the Company is affected by the investment policies and decisions of the underlying investment managers of its Fund Investments and the persons responsible for the day to day running of its Life Science Investments in direct proportion to the amount of the Group's assets that are invested, directly or indirectly, in each investment.

In particular, the value of the Fund Investments with specific investment managers and, as a result, the Net Asset Value of the Company, will fluctuate in response to, among other things, various market and economic factors related to the markets, asset classes and investments in which the relevant investment manager invests.

Although it will monitor the performance of its Fund Investments and its Life Science Investments, the Group will have little or no control over the activities of the investment managers with which it invests and may have limited oversight of the day to day running of each Life Science Investment.

Besides the Group having little or no control over the investment decisions and strategies of those controlling its Fund Investments and Life Science Investments, the Group will also be subject to the risk of material losses due to the fraud, illegal or unauthorised activities of such persons, as well as the failure of the underlying Fund Investment managers to execute their own investment strategies successfully as well as the inability of those persons controlling its Life Science Investments to implement their intended strategy for commercialising their products.

Acquisition of the Group's Fund Investments

The Group intends, to the extent that such proceeds are not required for the making of Life Science Investments, to invest certain of the proceeds of the Firm Placing and the Issue (net of expenses) in, or commit them to, Fund Investments on as timely a basis as is prudent in light of prevailing market conditions following Admission and thereafter to remain substantially fully invested or committed at all times.

It may not be possible or desirable to fully invest all or substantially all of the net proceeds of the Issue immediately following Admission and the Group may have to wait until the next applicable closing date or subscription date for access to specific underlying funds or Fund Investments.

In addition, it may be that the Group is unable to make certain of its anticipated Fund Investments, especially in the case of a limited number of funds that are yet to commence operations or which are currently closed to new investment. In this case, the Group may have to locate other suitable short-term Fund Investments to make on a basis consistent with the Investment Policy prior to making those longer-term Fund Investments. If the Group is unable to make any or all such Fund Investments, its returns may be depressed.

Fund Investments which operate on a "committed capital" basis

Certain Fund Investments made by the Group (especially in private equity funds) have been and may be made on a "committed" basis, whereby the Group agrees to contribute a certain amount to a fund, but the relevant cash is not called by the investment manager of the fund before it is required to finance the acquisition of an underlying investment. Accordingly, the cash committed to such a fund will not be invested in that fund (and therefore will not start to earn the return anticipated to be generated by that fund) until it is called by the investment manager of the relevant fund. In the intervening period, the relevant cash will generally be invested in liquid Fund Investments that generate a lower rate of return and that are readily realisable in order to pay the commitment when it is called.

The Group's Fund Investments may be concentrated with one or more underlying investment managers or in one or more investment sectors

Although the Group's capital is generally diversified among multiple underlying investment managers, it may be that, from time to time, subject always to maintaining an adequate spread of investment risk pursuant to the requirements of the Listing Rules and the Investment Policy, a relatively large percentage of the Group's assets is invested with one or more underlying investment managers. In addition, a relatively large percentage of the Group's assets may be invested with underlying investment managers in a single investment sector. Greater concentration with any single underlying investment manager or in any single investment sector may entail additional risks and may subject the Net Asset Value of the Company to more pronounced changes in value than would be the case if the assets of the Group were more widely diversified.

While the Group's capital may be invested with underlying investment managers that use diversified investment strategies, there can be no assurance that market or other events will not have an adverse impact on the strategies employed by multiple underlying investment managers. Underlying investment managers may, at certain times, hold large positions in a relatively limited number of investments and may target or concentrate their investments in particular markets, sectors, or industries. Those underlying investment managers that concentrate on a specific industry or target a specific sector will also be subject to the risks of that industry or sector, which may include, but are not limited to, rapid obsolescence of technology, sensitivity to regulatory changes, minimal barriers to entry and sensitivity to overall market swings. As a result, the net asset values of underlying funds managed by such underlying investment managers may be subject to greater volatility than those of investment vehicles that are subject to diversification requirements, and this may negatively impact the Company's Net Asset Value.

In addition, greater concentration of underlying investment managers may increase the adverse effect on the Group of any problems experienced by a specific underlying investment manager (including without limitation any suspension of redemptions by such underlying investment manager), since a significant portion of the Group's assets may be invested with the underlying investment manager.

There may be delays in implementing any proposed change in Fund Investments between underlying investment managers or investment strategies

The Group may, at certain times, be unable to make changes in Fund Investments among the underlying investment managers or investment strategies as is determined advisable in order to achieve the Group's investment objective due to a number of factors including, without limitation, the availability of appropriate access in sufficient quantities, minimum holding periods or restrictions on redemptions imposed by the underlying funds or underlying investment managers. If imbalances in the Fund Investment portfolio occur because the Group is unable to make changes on a timely basis, losses occurring as a result could cause the Group to suffer significantly greater losses than would be the case if the Group's investment goals had been achieved.

The Group's investment strategy contains no limitations on the types of securities or financial instruments in which the underlying funds may invest

The Group does not impose any limitations on the types of securities or other financial instruments which may be acquired or utilised by the underlying funds in which the Group invests. The funds and accounts in which the Group invests may follow a wide range of investment policies and strategies and may be permitted to borrow and invest in long and short positions in equities and fixed income securities (whether quoted or unquoted), 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, other financial instruments and real estate, as well as cash and cash equivalents.

The terms of the Company's agreements with the ICR and CRUK require that the Group does not knowingly make any investment which contravenes the CRUK or the ICR's investment restrictions regarding tobacco-related investments. The Group has notified the managers of its underlying investments of this restriction but is not able to ensure that it is observed by all such managers. Failure to observe this restriction could lead to CRUK or the ICR terminating its association with the Company, which could lead to managers of the underlying Fund Investments withdrawing investment capacity.

Underlying investment managers may make frequent trades in securities and other investments

Certain underlying investment managers make frequent trades in securities and other investments. Frequent trades typically result in high transaction costs. In addition, underlying investment managers may invest on the basis of short-term market considerations. The turnover rate within the underlying investment managers is, at times, significant, potentially involving substantial brokerage commissions and fees. The Group has no control over this turnover. It should be noted that high turnover of investments can increase the likelihood that an underlying investment manager is held to be ''trading'' rather than ''investing'' which can, depending upon the investment structure adopted by the underlying investment manager, result in adverse tax consequences for the underlying investment manager and the relevant underlying fund. Any such adverse tax consequences could reduce the income and gains received by the Group from its investment in such underlying fund and, as such, have an adverse effect on the Company's business, results of operations or financial condition.

Underlying investment funds may invest in below investment grade securities

Underlying investment funds may invest in bonds or other fixed income securities, including ''high yield'' (and, therefore, high risk) debt securities. These securities may be below investment grade and are subject to uncertainties and exposure to adverse business, financial or market conditions which could lead to the issuer's inability to make timely interest and principal payments and which could accordingly have a material adverse impact on the return to the Group on its Fund Investment in an underlying investment fund and as such on the Company's business, results of operations or financial condition.

Underlying investment managers invest independently and may compete or pursue similar investment strategies

Underlying investment managers invest wholly independently of one another. Managers may, at times, hold economically offsetting positions. To the extent they do so, the Group's portfolio, considered as a whole, may not achieve any gain or loss. Furthermore, it is possible that, from time to time, various underlying investment managers used by the Group may be competing with each other for the same positions in one or more markets. Conversely, managers may pursue similar strategies. In such a situation the diversification of the Group's portfolio between different managers may be ineffective in limiting its exposure to such strategies.

Risks relating to the businesses of underlying investment managers

The nature of, and manner in which, an underlying investment manager conducts its business may expose the Group to risks in relation to the value of the investments that it makes with such managers. For instance, the investment performance of certain investment managers may be substantially dependent on the services of a number of key individuals and the failure of those key individuals (for whatever reason) to remain involved with the Group's investments may lead to loss. In addition, certain investment managers may hold relatively few investments or may hold significantly correlated investments which may be subject to significant and rapidly occurring losses in certain situations. Further, certain investment managers may be subject to conflicts of interest that are

not resolved in the Group's best interests, for instance, if proprietary trading is favoured over third party investment activities.

The Group may indemnify underlying investment managers and indemnification obligations may adversely affect performance

The Group may be required to indemnify, directly or indirectly, certain underlying investment managers or funds, and their respective officers, directors, and affiliates, from certain liabilities, damages, costs, or expenses arising out of or in connection with its investment with that manager or fund, including following realisation of the investment. In addition, underlying funds in which the Group invests may also agree to indemnify their own investment managers and their respective officers, directors, and affiliates. Any such indemnification obligations incurred directly or indirectly by the Group may adversely affect the Company's performance.

Underlying investment manager redemption holdbacks and other underlying fund liquidity restrictions may adversely affect the Group

From time to time, the Group may be unable to liquidate its assets as it otherwise deems advisable due to a number of factors including, without limitation, minimum holding periods and restrictions on redemptions imposed by underlying funds or underlying investment managers. Further, for various reasons, including the suspension or delay in payment of redemption proceeds by underlying funds or the holdback of redemption proceeds otherwise payable to the Group until after the applicable underlying fund's financial records have been audited, the Group may not receive redemption proceeds promptly. Therefore, the Group may hold receivables that may not be paid to the Group for a significant period of time, may not accrue any interest and ultimately may not be paid to the Group (as a result of post-audit adjustments or for other reasons). In addition, in cases where an underlying fund limits or reduces the Group's redemption request, the Group may continue to have investment exposure to an underlying fund or underlying investment manager that it would otherwise have redeemed. All of those factors could have an adverse effect on the performance of the Company.

The Group is exposed to counterparty risk through its Fund Investments

The Group is exposed to counterparty risk, both in respect of its own service providers and in respect of the service providers and other counterparties of the funds in which it invests. The Group has no direct control over any such persons.

Each of these counterparties are themselves subject to operational risks, which can arise from inadequate or failed processes, people, systems, credit risks or from external factors that could materially affect their performance obligations to the Group. Failure by any counterparty to perform as expected may cause the Group to suffer losses, which may be material.

The Group may be exposed to systemic risk

Within the banking industry the default of any institution can lead to defaults by other institutions. Concerns about, or default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, because the commercial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. This risk is sometimes referred to as "systemic risk". Systemic risk may adversely affect prime brokers dealt with by funds included in the Group's portfolio. The Group may, therefore, be indirectly exposed to systemic risk through its Fund Investment dealings with a potentially large number of prime brokers and custodians whose creditworthiness may be interlinked and such risk to the Group is increased owing to the fund-of-funds structure employed in its Fund Investment portfolio.

Certain underlying managers do not provide proprietary information requested by the Fund Investment Management Team

Certain underlying managers do not wish to, and are not under any obligation to, provide proprietary information that the Fund Investment Management Team believes it requires to adequately analyse the results and prospects of that investment. Any such restriction on information can impair the ability of the Fund Investment Management Team to assess its investments and adversely affect the ability of the Group to determine the most appropriate or successful investment opportunities and accordingly adversely impact its ability to achieve its investment objective.

Specific Fund Investment Risks

The following are certain risks related to specific asset classes in which the Group invests.

Private equity investments

Private equity investments can involve a number of significant risks:

(a) the market for private equity investments is subject to fluctuations and may significantly diminish owing to changes in interest rates, the availability of financing (including senior, mezzanine and high yield debt) and general market conditions; a disruption in the market for private equity investments could cause the Group's investment strategy to fail;

(b) companies in which private equity investments are made are often dependent on the management talents and efforts of a small group of persons and, as a result, the death, disability, incapacity, resignation, termination or otherwise of one or more of those persons could have a material adverse impact on their business and prospects and the investment made;

(c) companies in which private equity investments are made generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position;

(d) generally limited public information exists about companies in which private equity investments are made and investors in those companies generally must rely on the ability of the equity sponsor to obtain adequate information for the purposes of evaluating potential returns and making a fully informed investment decision; and

(e) where the Group receives distributions in kind from any of its private equity investments, the Group incurs additional risks in disposing of such assets.

Private equity investments may be in companies that are highly leveraged

Private equity investments are often in companies whose capital structures have a significant degree of leverage. In addition, companies that are not or do not become highly leveraged at the time an investment is made may increase their leverage after the time of investment. Investments in highly leveraged companies are inherently more sensitive to declines in revenues, increases in expenses and interest rates and adverse economic, market and industry developments. In addition, the incurrence of a significant amount of indebtedness by a company may:

(a) give rise to an obligation to make mandatory prepayments of debt using excess cash flow, which may limit the company's ability to respond to changing industry conditions to the extent additional cash is needed for the response, to make unplanned but necessary capital expenditures or to take advantage of growth opportunities;

(b) limit such company's ability to adjust to changing market conditions, thereby placing it at a competitive disadvantage compared to its competitors who have relatively less debt;

(c) limit the company's ability to engage in strategic acquisitions that may be necessary to generate attractive returns or further growth; and

(d) limit the company's ability to obtain additional financing or increase the cost of obtaining such financing, including for capital expenditures, working capital or general corporate purposes.

A leveraged company's income and net assets also tend to increase or decrease at a greater rate than would otherwise be the case if money had not been borrowed. As a result, the risk of loss associated with a leveraged company is generally greater than for companies with comparatively less debt.

Hedge funds

Hedge fund investments can involve a number of significant risks:

Short selling may expose underlying investment managers to theoretically unlimited losses if prices rise

Underlying hedge fund managers may engage in short selling. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in the value of securities. A short sale creates the risk of a theoretically unlimited loss for an underlying hedge fund manager, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover

the short position. There can be no assurance that the security necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

There is also a risk that the securities borrowed in connection with a short sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the securities are receiving similar requests, a ''short squeeze'' can occur, and it may be necessary to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

These risks could have a material adverse impact on the return to the Group on its investment in an underlying hedge fund and as such on the Company's business, results of operations or financial condition.

Underlying hedge funds may be exposed to counterparty risk

The Group is exposed to the credit risk of the counterparties with which, or the brokers, dealers and exchanges through which, underlying hedge fund managers deal, whether they engage in exchange-traded or off-exchange transactions. In particular, because certain financing arrangements and derivative transactions in which hedge funds engage are not traded on an exchange but are instead traded between counterparties based on contractual relationships, hedge funds are often subject to the risk that a counterparty will not perform its obligations under the related contracts.

Many of the markets in which underlying hedge fund managers effect their transactions are ''over-the-counter'' or ''interdealer'' markets. Participants in these markets are typically not subject to credit evaluation and regulatory oversight as are members of ''exchange based'' markets. To the extent an underlying hedge fund manager invests in swaps, derivatives or synthetic instruments, or other over-the-counter transactions in these markets, the underlying hedge fund manager may take a credit risk with regard to parties with which it trades and also may bear the risk of settlement default.

The Group is also subject to risk of loss of assets placed on deposit with a broker by an underlying hedge fund manager in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the underlying hedge fund manager, or the bankruptcy of an exchange clearing house, in particular where the relevant counterparty is not required to segregate funds. These risks could have a material adverse impact on the return to the Group on its investment in an underlying hedge fund and as such on the Company's business, results of operations or financial condition.

The use of leverage may increase an underlying hedge fund's investment risk

Underlying hedge funds may borrow cash and employ leverage through the use of derivatives for the purpose of making investments. The use of leverage creates special risks and may significantly increase an underlying hedge fund's investment risk. Leverage creates an opportunity for greater total return but, at the same time, will increase a hedge fund's exposure to capital risk and interest costs. Changes in overall market leverage (e.g. deleveraging or liquidations by other market participants of the same or similar positions) may also adversely affect the underlying hedge fund's positions and accordingly could have a material adverse impact on the return to the Group on its investment in an underlying hedge fund and as such on the Company's business, results of operations or financial condition.

A hedge fund may be adversely affected by a decrease in market liquidity for the instruments it trades

A hedge fund may be adversely affected by a decrease in market liquidity for the instruments traded by that hedge fund (e.g. by impairing the hedge fund's ability to adjust its positions, balance sheet and risk in response to trading losses or other adverse developments). The size of the hedge fund's positions may magnify the effect of a decrease in market liquidity for the instruments traded by the hedge fund, which could have a material adverse impact on the return to the Group on its investment in an underlying hedge fund and as such on the Company's business, results of operations or financial condition.

There are generally only limited constraints on the investment strategies and techniques that can be employed by the managers of hedge funds

As a result of its investments, the Group may incur other risks, including currency exchange risks, in respect of assets held in other currencies, tax risks in respect of assets invested in other jurisdictions

and risks relating to political, social and economic factors which may affect the assets of the hedge funds in which the Group invests.

Hedge funds may invest in and actively trade instruments with significant risk characteristics, including risks arising from the volatility of securities, financial futures, derivatives, currency and interest rate markets, the leverage factors associated with trading in such markets and instruments and the potential exposure to loss resulting from counterparty defaults. There can be no assurance that a hedge fund's investment programme will be successful or that the investment objective of that hedge fund will be achieved and any failure to do so could have a material adverse impact on the return to the Group on its investment in that hedge fund and therefore on the Company's business, results of operations or financial condition.

Real estate

Real estate investments can involve a number of significant risks:

Real estate risks in general

The property market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including investor/buyer supply and demand, that are beyond the control of investors.

Rental income and the market value of properties are often affected by general economic conditions or by the political and economic climate of the jurisdictions in which property is situated, as well as in the rest of the world. Relevant economic factors which can affect rental incomes and property values include changes in gross domestic product, rates of employment, inflation and changes in interest rates.

Any future property market recession could materially adversely affect the value of the Group's real estate investments by decreasing or delaying returns from real estate investments that are driven largely by the amount of rental income generated from portfolio properties, increasing the costs and expenses incurred in the development, maintenance and management of portfolio properties, or through other factors (such as increasing capitalisation rates), as well as by affecting market values.

Both rental income from, and the market value for, properties may also be affected by other factors specific to the real estate market, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the inability to lease properties on favourable terms particularly in times of economic downturn, or to agree new levels of rent, the inability to collect rents because of the bankruptcy or insolvency of tenants or otherwise, the periodic need to renovate, repair and re-let space and the costs thereof, the costs of maintenance and insurance and increasing operating costs. In addition, certain significant expenditures, including operating expenses, must be met by the owner even when the property is vacant.

The value of any real estate investments may fluctuate as a result of factors outside the Group's control

Real estate investments are subject to varying degrees of risks. The value of the portfolio can be affected by factors outside the Group's control, including changing demand for commercial real estate, changes in general economic conditions, changing supply within a particular geographic location and the attractiveness of real estate relative to other investment choices. The value of the portfolio may also fluctuate as a result of other factors outside the Group's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, the financial condition of lessees, interest and inflation rate fluctuations and higher accounting and control expenses. In addition, the Group may not be aware of material changes in the portfolios of the funds in which it invests.

Real estate funds in which the Group invests may incur or inherit environmental liabilities in connection with properties they have acquired or which they may acquire in the future

Real estate funds in which the Group invests may be liable for the costs of removal, investigation or remediation of any hazardous or toxic substances that are located on or in a property owned or occupied by them or that are migrating or have migrated from a property owned or occupied by them. The costs of any required removal, investigation or remediation of such substances may be substantial, regardless of the identity of who originally caused the contamination. The presence of such substances, or the failure to remedy the situation properly, may also adversely affect the value of the real estate or such fund's ability to sell, let or develop the real estate or to borrow using the real estate as security. Such a fund could be required to remove or remediate any hazardous

substances that it has caused or knowingly permitted at any property that it has owned or occupied in the past. Laws and regulations, which may be amended over time, may also impose liability for the presence of certain materials or substances or the release of certain materials or substances into the air, land or water or the migration of certain materials or substances from a real estate investment, including asbestos, and such presence, release or migration can form the basis for liability to third parties for personal injury or other damages. Other environmental laws and regulations limit the development of, and impose liability for, the disturbance of wetlands or the habitats of threatened or endangered species. As a result, the Group may be adversely affected indirectly by the additional cost of environmental liabilities imposed by environmental regulation, which could have a material adverse effect on its financial condition and may reduce income available for distribution to shareholders.

Private real estate investments are long-term in nature and relatively illiquid and may limit the ability of the Group to realise its investments or respond quickly to changing conditions

There may be a significant amount of time before real estate funds in which the Group has invested have invested all their committed capital. Once such investments are made, it may take some years for them to reach a stage of maturity at which realisation can be achieved. It is therefore possible that the Group may not receive a return on such investments for a number of years. It is not expected that a market for such investments will develop.

The illiquidity of real estate and indirect investments in real estate may affect the Group's ability to vary its exposure to real estate investments or liquidate those investments in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions. If the Group were required to dispose of or liquidate an investment on unsatisfactory terms, it may realise less than the value at which the investment was previously recorded, which could result in a decrease in Net Asset Value. Such illiquidity could have a material adverse impact on the return of the Group or its investment and therefore on the Company's business, results of operations or financial condition.

RISKS RELATING TO INVESTMENT MANAGEMENT

The ability of the Company to achieve its investment objective is dependent upon the Investment Management Team carrying out its role with due care and skill

The success of the Company's investment activities depends on the Investment Management Team's ability to identify suitable Fund Investments or Life Science Investments, which offer a high rate of growth and return or which are undervalued, as well as to assess the impact of news and events that may affect those opportunities. Identification and exploration of the opportunities to be pursued by the Company involves a high degree of uncertainty. No assurance can be given that the Investment Management Team will be able to locate suitable opportunities in which to invest all of the Company's assets and therefore there can be no assurance that the Company's investment objective or investment strategy will be successful.

The Investment Management Team is dependent upon the expertise of certain key personnel in providing investment management services to the Company

The ability of the Company to achieve its investment objective is significantly dependent upon the combined expertise of the Investment Management Team. The impact of the departure for any reason of a key individual (or individuals) on the ability of the Investment Management Team to achieve the investment objective of the Company cannot be determined and may depend on, amongst other things, the ability of the Investment Management Team to recruit other individuals of similar experience and credibility.

In particular, the Investment Management Team will, from the Implementation Date, comprise both the Fund Investment Management Team and the Life Science Investment Management Team each of which have separate skills and relationships. The Company is dependent not only on the retention of the Investment Management Team as a whole but also on the separate retention of key individuals comprising both the Fund Investment Management Team and the Life Science Investment Management Team.

In addition, legislative, tax and/or regulatory changes which restrict or otherwise adversely affect the remuneration of key individuals, including the ability and the scope to pay bonuses, which may be imposed in the jurisdictions in which the Company operates, may adversely affect the Company's ability to attract and/or retain the Investment Management Team. In the event of the death,

incapacity, departure, insolvency or withdrawal of such key individuals, the performance of the Company may be adversely affected, which could have a material adverse effect on the value of the Ordinary Shares.

In addition, the Company has no control over the personnel of the Investment Management Team. If such personnel were to do anything or be alleged to do anything that may be or might become the subject of public criticism or other negative publicity or may lead to investigation, litigation or sanction, this may have an adverse impact on the Company by association, even if the criticism or publicity is factually inaccurate or unfounded and notwithstanding that the Company may have no involvement with, or control over, the relevant act or alleged act.

It may be difficult and costly for SIML to terminate its relationship with the Fund Investment Management Team

The Amended BACIT UK IMA shall have a fixed term of at least five years and possibly ten years and will not be terminable by the Company during that period other than for specific cause events.

If BACIT UK's performance does not meet the expectations of investors and the Company is otherwise unable to terminate the Amended BACIT UK IMA for cause, the Net Asset Value could suffer and the Company's business, results or financial condition could be adversely affected. In addition, the Company may incur significant termination expenses if it terminates the Amended BACIT UK IMA with or without cause.

Failure by the Investment Management Team or other third party service provider to carry out its obligations could have a materially adverse effect on the Company's performance and the value of the Ordinary Shares

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company must therefore rely upon the investment management performance of the Investment Management Team to carry out its investment management function and on other third-party service providers to perform other administrative and operational functions. In particular, the Investment Management Team will perform investment management services that are integral to the Company's operations and financial performance. Failure by the Investment Management Team or any other third party service provider to carry out their obligations to the Company in accordance with the terms of its appointment, to exercise due care and skill in carrying out its obligations, or to perform its obligations to the Company at all as a result of insolvency, bankruptcy or other causes could have a material adverse effect on the Company's performance and the value of the Ordinary Shares. The termination of the Company's relationship with the Investment Management Team or any other third party service provider, or any delay in appointing a replacement, could materially disrupt the business of the Company and could have a material adverse effect on the Company's performance and the value of the Ordinary Shares.

RISKS RELATING TO AN INVESTMENT IN THE ORDINARY SHARES

Shareholders will have no rights of redemption for Ordinary Shares and must rely on the existence of a liquid market in order to realise their investment

The Company is a registered closed-ended collective investment scheme. Accordingly, Shareholders will not be entitled to have their Ordinary Shares redeemed by the Company. Further, investments and cash will be held by the Company and while the Directors retain the right to effect repurchases of Ordinary Shares and to return capital in the manner described in this Prospectus, they are under no obligation to use such powers at any time and the Shareholders should not place any reliance on the willingness of the Directors to do so. The ability of the Company to make such repurchases and capital returns is also subject to satisfaction of the solvency test under the Companies Law. Accordingly, Shareholders wishing to realise their investment in the Company will be required to dispose of their Ordinary Shares through trades on the London Stock Exchange or negotiate transactions with potential purchasers meaning Shareholders' ability to realise their investment is in part dependent on the existence of a liquid market in the Ordinary Shares and on the extent of its liquidity. More generally, shares in comparable investment vehicles have historically been subject to lower liquidity than equity investments in other types of listed entities.

The Company is required by the Listing Rules to ensure that 25 per cent. of the Ordinary Shares are publicly held (as defined by the Listing Rules) at all times. If, for any reason, the number of Ordinary Shares in public hands falls below 25 per cent., the UKLA may suspend or cancel the listing of that class of Ordinary Shares. This may mean that limited liquidity in such Shares may

affect (i) an investor's ability to realise some or all of his or her investment and/or (ii) the price at which such investor can effect such realisation.

Investors should not expect that they will necessarily be able to realise their investment in the Company within a period which they would otherwise regard as reasonable nor can they be certain that they will be able to realise their investment on a basis that necessarily reflects the value of the underlying investments held by the Company. Shareholders may not fully recover their initial investment upon sale of their Ordinary Shares.

The monthly NAV figures published by the Company are estimated only and may be materially different from actual results. They may also be different from figures appearing in the Company's financial statements

The Company publishes monthly NAV figures in Sterling. The valuations used to calculate the NAV are based on the Investment Management Team's unaudited estimated valuations.

In respect of Fund Investments such valuations are likely to be derived by the Fund Investment Management Team from information provided by underlying entities and businesses in which the Company makes Fund Investments. This information may not be accurate or verified (or verifiable) and may not be provided in a timely manner. It should be noted that any such estimates may vary (in some cases materially) from actual results, especially (but not only) during periods of high market volatility or disruption. Estimated results, performance or achievements may differ materially from any actual results, performance or achievements.

Holdings in early stage Life Science Investment businesses are inherently difficult to value since sales, cash flow and tangible asset values are very limited, which makes the valuation highly dependent on expectations of future development and any future significant revenues would only arise in the medium to longer terms and are uncertain. Equally, the financing of Life Science Investment businesses just commencing the commercial stage is also difficult to value since sales, cash flow and tangible assets are limited, they have only commenced initial receipts of revenues which may not be representative of future significant revenues and valuations are still dependent on expectations of future development.

Accordingly, such estimated monthly NAV figures should be regarded as indicative only and the actual NAV per Share may be materially different from these reported and unaudited estimates.

Further, NAV per Share is expressed in Sterling and is based on fair market value estimates of the Company's underlying investments in Sterling. Certain of the Company's Fund Investments may report certain of those investments at book value rather than estimates of fair market value. This means that asset value estimates used to calculate NAV per Share may differ from the value of the Company's assets appearing in its financial statements, possibly significantly. Certain of the Company's Fund Investments are reported in currencies other than Sterling and, as a result, the Company will be exposed to a currency fluctuation risk.

The Net Asset Value fluctuates over time by reference to the performance of the Company's investments and changing valuations

The Net Asset Value fluctuates over time with the performance of the Company's investments. Moreover, valuations of the Company's investments may not reflect the price at which such investments can be realised.

To the extent that the net asset value information of an investment or that of a material part of an investment's own underlying investments is not available in a timely manner, the Net Asset Value is published based on estimated values of the investment and on the basis of the information available to the Investment Management Team at the time. There can be no guarantee that the Company's investments could ultimately be realised at any such estimated valuation. Because of overall size, concentration in particular markets and the nature of the investments held by the Company, the value at which its investments can be disposed of may differ, sometimes significantly, from the valuations calculated or obtained by the Investment Management Team. In addition, the timing of disposals may also affect the values ultimately obtained. In respect of its Fund Investments, there may be times where third party pricing information is not available for certain Fund Investments held by the Company.

In calculating the Net Asset Value, the Investment Management Team and the Administrator rely on, *inter alia*, estimated valuations that may include information derived from third party sources. Such valuation estimates are unaudited and may not be subject to independent verification or other due diligence. The type of investments invested in by the Company may be complex, illiquid and not

listed on any stock exchange. Accordingly, as a result of each of these factors, Shareholders should note that actual Net Asset Value fluctuates from time to time, and that such fluctuations may be material.

The Ordinary Shares may trade at a discount to Net Asset Value

The Ordinary Shares may trade at a discount to NAV per Share for a variety of reasons, including market conditions, liquidity concerns or the actual or expected performance of the Company. There can be no guarantee that attempts by the Company to mitigate any such discount will be successful or that the use of discount control mechanisms will be possible, advisable or adopted by the Company.

Local laws or regulations may mean that the status of the Company or the Ordinary Shares is uncertain or subject to change, which could adversely affect investors' ability to hold the Ordinary Shares

For regulatory, tax and other purposes, the Company and the Ordinary Shares may be treated differently in different jurisdictions. For instance, in certain jurisdictions and for certain purposes, the Ordinary Shares may be treated as units in a collective investment scheme. Furthermore, in certain jurisdictions, the status of the Company and/or the Ordinary Shares may be uncertain or subject to change, or it may differ depending on the availability of certain information or disclosures by the Company. Changes in the status or treatment of the Company or the Ordinary Shares may have unforeseen effects on the ability of investors to hold the Ordinary Shares or the consequences of so doing.

The ability of certain persons to hold Shares may be restricted as a result of ERISA or other considerations

Each acquirer and subsequent transferee of Shares is required to represent and warrant or will be deemed to represent and warrant that it is not a "benefit plan investor" (as defined in Section 3(42) of ERISA), and that it is not, and is not using assets of, a plan or other arrangement subject to provisions under applicable federal, state, local, non-U.S. or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the Code.

The Shares will be subject to purchase and transfer restrictions in the Issue and in secondary transactions in the future

The Company has not been and will not be registered under the Investment Company Act and the Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to restrictions on transfer contained in such laws and, accordingly, may not be offered, pledged or sold, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States and in a manner which would not require the Company to register under the Investment Company Act, and except in accordance with the Articles. Prospective investors should familiarise themselves with the selling and transfer restrictions in Part VII "*Details of the Open Offer and Placing – Terms and Conditions of the Placing – Representations, warranties and undertakings*" and in Part X "*Restrictions on sales*" of this Prospectus.

Under the Articles, the Directors have the power to require the sale or transfer of Shares in certain circumstances. Such power may be exercised to prevent (i) the Company from being in violation of, or required to register under, the Investment Company Act or being required to register the Shares under the U.S. Securities Act of 1933, as amended or the U.S. Securities Exchange Act of 1934, as amended (including in order to maintain the status of the Company as a "foreign private issuer" for the purposes of those Acts); (ii) any member of the Group being in violation of, or required to register under or report pursuant to, the Advisers Act, as amended; (iii) the assets of the Company from being deemed to be assets of an employee benefit plan within the meaning of ERISA or of a plan within the meaning of Section 4975 of the Code; (iv) any member of the Group from being in violation of, or required to register under, the U.S. Commodity Exchange Act of 1974 (the "**CEA**"); and (v) any member of the Group from having compliance obligations under, or from being in violation of, the U.S. Hiring Incentive for Restoring Employment Act of 2010 (which incorporates the anti-avoidance revenue provisions contained in the U.S. Foreign Account Tax Compliance Act ("**FATCA**")) or otherwise not being in compliance with the Investment Company Act, ERISA, the CEA, FATCA or the Code.

When the lock-up arrangements to which the Company and the Firm Placees are subject expire, more Ordinary Shares may become available on the market which could reduce the market price of the Ordinary Shares

The Firm Placees have all agreed with the Company and the Bookrunner not to transfer, dispose of or grant any options over any of the Ordinary Shares owned by them without the prior written consent of the Company and the Bookrunner for certain periods. Similarly, the Company will be restricted, subject to certain exceptions, for 180 days from Admission from issuing additional Ordinary Shares and from transferring, disposing of or granting options over any of the Ordinary Shares. On the expiry of these lock-up restrictions, the Company may issue additional Ordinary Shares and the Firm Placees will be free (subject to applicable law and the Articles) to sell the Ordinary Shares held by them. At that time, an increased supply of Ordinary Shares on the secondary market may result in the issue or trading of large quantities of Ordinary Shares, or the perception that such issue or trading may occur, which may have an adverse effect on the market price of the Ordinary Shares and/or result in greater price volatility.

Shareholders are being offered the opportunity to sell their shares to incoming investors which could reduce the number of New Ordinary Shares to be issued by the Company

Shareholders are being offered the opportunity to sell their Sale Shares to incoming investors.

The number of New Ordinary Shares that the Company will issue under the Issue will be reduced by the number of Sale Shares that Selling Shareholders have elected to sell. As a result, the proceeds received by the Company from the Issue will be reduced by an amount equal to the product of the Offer Price and the number of Sale Shares that Selling Shareholders have elected to sell. If the number of Sale Shares exceeds the number of Ordinary Shares for which subscriptions have been received pursuant to the Issue, the Proposed Transaction will not proceed.

If Shareholders do not take up their entitlement to subscribe for further Ordinary Shares under the Open Offer, their ownership of existing Ordinary Shares will be diluted upon allotment and issue of the New Ordinary Shares

If Shareholders do not respond to the Open Offer by 11 am on 14 December 2016, the latest date for application and payment in full in respect of their entitlements, their proportionate ownership and voting interest in the Ordinary Shares will be reduced and the percentage that their existing Ordinary Shares represents of the issued share capital of the Company will be reduced accordingly.

Notwithstanding any participation in the Open Offer, Shareholders will have their proportionate ownership and voting interest in the Ordinary Shares reduced as a result of the implementation of the Firm Placing and as a result of the increased size of the Company's issued share capital.

Prospective investors should therefore consider carefully whether investment in the Company is suitable for them, in light of the risk factors outlined above, their personal circumstances and the financial resources available to them.

IMPORTANT INFORMATION

This Prospectus should be read in its entirety before making any application for any Ordinary Shares. Prospective investors should rely only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than as contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Investment Management Team, the Sponsor or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules neither the delivery of the Prospectus nor any subscription made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to its date.

Prospective investors must not treat the contents of this Prospectus or any subsequent communications from the Company, the Investment Management Team, the Sponsor or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

Apart from the liabilities and responsibilities (if any) which may be imposed on the Sponsor by FSMA or the regulatory regime established thereunder, the Sponsor makes no representations, express or implied, nor accepts any responsibility whatsoever for the contents of this Prospectus nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Investment Management Team, the Proposed Transaction, the Ordinary Shares, the Sale Shares, the Firm Placing, the Liquidity Facility or the Issue. The Sponsor (and its respective affiliates) accordingly disclaim all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which they might otherwise have in respect of this Prospectus or any such statement.

The Directors and the Proposed Directors have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All the Directors and the Proposed Directors accept responsibility accordingly.

The Sponsor and its respective affiliates may have engaged in transactions with, and provided various banking, financial advisory and other services to the Company or the Investment Management Team for which they would have received fees. The Sponsor and its respective affiliates may provide such services to the Company, the Investment Management Team or any of their respective affiliates in the future.

To the extent applicable, the Sponsor or its respective affiliates may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to Ordinary Shares and/or related instruments for its own respective account for the purpose of hedging their respective underwriting exposure or otherwise. Except as required by applicable law or regulation, the Sponsor does not propose to make any public disclosure in relation to such transactions.

Regulatory information

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. The issue or circulation of the Prospectus may be prohibited in some countries.

Qualifying Shareholders and prospective investors should consider (to the extent relevant to them) the notices to residents of various countries set out in Part X "*Restrictions on Sales*" of this Prospectus.

Data protection

The information that a prospective investor in the Company provides in documents in relation to a proposed subscription for Ordinary Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("**personal data**") will be held and processed by the Company (and any third party in Guernsey to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of Guernsey. Each prospective investor (in respect of itself (if it is an individual) or a third party individual on its behalf) acknowledges and consents that such

information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company) for the following purposes:

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

It may be necessary, from time to time, for the Company (or any third party service provider, functionary, or agent appointed by the Company) to disclose and/or transfer personal data without consent:

- to third party service providers, agents or functionaries appointed by the Company or its agents to provide services to prospective investors;
- to any government, regulatory authority, court of competent jurisdiction, stock exchange, clearing house or investigatory authority or as otherwise required by any applicable laws and regulations; and
- outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as Guernsey.

If the Company (or any third party service provider, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary or discloses personal data to such a government, regulatory authority, court of competent jurisdiction, stock exchange, clearing house or investigatory authority and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

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

Investment considerations

An investment in the Company, including in the Ordinary Shares, is intended to appeal to, and is most suitable for institutional investors, professional investors, high net worth investors and advised individual investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager or broker regarding investment in the Company. An investment in Ordinary Shares is suitable only for persons who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment. An investment in the Ordinary Shares should only constitute part of a diversified investment portfolio.

The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, accounting or regulatory matters, investment decisions or any other matter. Prospective investors must inform themselves as to:

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

Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment therein.

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

It should be remembered that the price of the Ordinary Shares and the income from the Ordinary Shares (if any), can go down as well as up.

This Prospectus should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Memorandum of Incorporation and Articles of Incorporation which prospective investors should review. A summary of the Memorandum of Incorporation and Articles of Incorporation are contained in paragraph 4 of Part XI "*Additional Information*" of this Prospectus.

Important Notice regarding performance information

This Prospectus contains performance information relating to the Company. Prospective investors should be aware that any investment in the Company is speculative, involves a high degree of risk, and could result in the loss of all or substantially all of their investment.

The performance information presented in respect of the Company and the performance and portfolio information presented in respect of its investment portfolio in this Prospectus is intended to demonstrate the past performance of the Company and certain entities in which the Company invests. Certain of such information may be based on estimated valuations. Estimated results, performance or achievements may differ materially from any actual results, performance or achievements. Performance is shown gross of management fees and performance fees unless stated otherwise.

Past performance of the Company and its underlying investments is not a reliable indicator of future results.

For a variety of reasons (not limited to, where applicable, the historical and hypothetical nature of the information and the use of estimates and assumptions in order to generate that information), the comparability of the Company's and its investment portfolio's performance to date to the future performance and actual investment portfolio is very limited. Without limitation, results can be positively or negatively affected by market conditions beyond the control of the Company or the Investment Management Team, which market conditions may be different in many respects from those that prevail at present or in the future, including (without limitation) with the result that the performance of investment portfolios originated now may be significantly different from those originated in the past.

No representation is being made by the inclusion of the strategies presented herein that the Company or its investments will achieve performance similar to the strategies herein or avoid losses. There can be no assurance that the investment opportunities described herein will meet their objectives generally, or avoid losses.

No incorporation of website

The contents of the Company's website at www.bacitltd.com do not form part of this Prospectus. Investors should base their decision to invest on the contents of this Prospectus alone and should consult their professional advisers prior to making an application to acquire Ordinary Shares.

Forward-Looking Statements

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

Important factors that could cause these differences include, but are not limited to:

- changes in economic conditions generally and their impact on the Company's ability to achieve its investment objective and returns on equity for investors;
- the Company's ability to invest the net proceeds of the Issue in suitable investments on a timely basis;

- changes in interest rates and/or credit spreads, as well as the success of the Company's investment strategy in relation to such changes and the management of the uninvested proceeds of the Issue;
- the availability and cost of capital for future investments;
- the failure of the Investment Management Team to perform its obligations;
- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the Company; and
- general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this Prospectus. Subject to its compliance with its legal and regulatory obligations (including under the Listing Rules, Disclosure and Transparency Rules and Prospectus Rules), the Company undertakes no obligation to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Market data

Where information contained in this Prospectus has been sourced from a third party, the Company and the Directors and the Proposed Directors confirm that such information has been accurately reproduced and, so far as they are aware, and have been able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Currency Presentation

Unless otherwise indicated, all references in this Prospectus to "€" or "euro" are to the lawful currency of the Eurozone countries, to "US$", "USD" or "US dollars" are to the lawful currency of the United States and to "Sterling", "pounds sterling", "£", "GBP" or "pence" are to the lawful currency of the United Kingdom.

Definitions

A glossary and a list of defined terms used in this Prospectus is set out in Part XII "*Definitions*" of this Prospectus.

Governing law

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

ISSUE STATISTICS

Total number of Ordinary Shares in issue prior to the Issue and Firm Placing...	386,138,785
Total number of New Ordinary Shares to be issued under the Firm Placing.....	264,334,417
Maximum number of New Ordinary Shares to be issued under the Issue	121,938,563
Maximum number of Ordinary Shares in issue following the Issue	772,441,765
Maximum percentage of enlarged issued share capital represented by the New Ordinary Shares	50 per cent.
Offer Price	131.15 pence per New Ordinary Share
Maximum gross proceeds of the Issue and Firm Placing receivable by the Company	£506.6 million
Maximum net proceeds of the Issue and Firm Placing receivable by the Company	£500 million
Maximum market capitalisation of the Company at the Offer Price immediately following the Issue and Firm Placing	£1,013 million

If you have any questions relating to the completion and return of the Application Form in respect of the Open Offer, please call Capita Asset Services shareholder helpline on +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00am and 5.30pm, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. If you are in any doubt as to the action you should take, please contact an appropriate financial adviser.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of Placing and Open Offer and commencement of bookbuilding in the Placing	28 November 2016
Publication of Prospectus, EGM circlular and Application Form	28 November 2016
Date of despatch of documentation relating to Proposed Transaction	29 November 2016
Record Date to participate in the Open Offer	5 pm on 24 November 2016
Ex entitlement date for the Open Offer	8 a.m. on 29 November 2016
Open Offer Entitlements enabled in CREST and credited to stock accounts of Qualifying CREST Shareholders in CREST	30 November 2016
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 8 December 2016
Latest time and date for depositing Open Offer Entitlements into CREST	3 p.m. on 9 December 2016
Latest time and date for splitting of Application Forms (to satisfy *bona fide* market claims only)	3 p.m. on 12 December 2016
Latest time and date for return of completed Form of Proxy	11 a.m. on 12 December 2016
Latest time and date for return of completed Deeds of Election or settlement of relevant CREST instruction to participate in the Liquidity Facility	11 a.m. on 13 December 2016
Date of the EGM	11 a.m. on 14 December 2016
Announcement of results of EGM	14 December 2016
Placing closes	11 a.m. on 14 December 2016
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer (and Excess Application Facility) or settlement of relevant CREST instruction (as appropriate)	11 a.m. on 14 December 2016
Announcement of the results of the Issue through a Regulatory Information Service	15 December 2016
Admission and commencement of dealings in the New Ordinary Shares	19 December 2016
Anticipated Implementation Date	19 December 2016
CREST Members' accounts credited in respect of Ordinary Shares in uncertificated form	as soon as possible after 8 a.m. on 19 December 2016
Despatch of definitive share certificates for Ordinary Shares in certificated form	Within 14 days of Admission
Expected date of settlement of proceeds from Sale Shares sold under the Liquidity Facility, including despatch of cheques	Week commencing 19 December 2016

Each of the times and dates in the above timetable is subject to change. References to times are to London time unless otherwise stated. Temporary documents of title will not be issued.

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

Directors (all non-executive)	Jeremy Tigue (Chairman) Arabella Cecil Peter Hames Thomas Henderson Nicholas Moss All of: P.O. Box 255 Trafalgar Court Les Banques St. Peter Port Guernsey GY1 3QL Channel Islands
Proposed Directors	Nigel Keen Ellen Strahlman
Investment Manager	BACIT (UK) Limited 2nd Floor 10 Aldermanbury London EC2V 7RF
Sponsor, Global Coordinator and Bookrunner	J.P. Morgan Securities plc 25 Bank Street Canary Wharf London E14 5JP United Kingdom
Administrator to the Company, Company Secretary and Registered Office	Northern Trust International Fund Administration Services (Guernsey) Limited P.O. Box 225 Trafalgar Court Les Banques St. Peter Port Guernsey GY1 3QL Channel Islands
Custodian and Depositary	Northern Trust (Guernsey) Limited P.O. Box 71 Trafalgar Court Les Banques St. Peter Port Guernsey GY1 3DA Channel Islands
Registrar	Capita Registrars (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH Channel Islands
Reporting Accountants	Deloitte LLP P.O. Box 137 Regency Court Glategny Esplanade St. Peter Port Guernsey GY1 3HW Channel Islands

Auditors of the Company	Deloitte LLP P.O. Box 137 Regency Court Glategny Esplanade St. Peter Port Guernsey GY1 3HW Channel Islands
Receiving Agent for the Proposed Transaction	Capita Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
Legal Advisers to the Company as to English law	Freshfields Bruckhaus Deringer LLP 65 Fleet Street London EC4Y 1HS United Kingdom
Legal Advisers to the Company as to Guernsey law	Carey Olsen Carey House P.O. Box 98 Les Banques St. Peter Port Guernsey GY1 4BZ Channel Islands
Legal Advisers to the Sponsor, Global Coordinator and Bookrunner as to English law	Herbert Smith Freehills LLP Exchange House 12 Primrose Street London EC2A 2EG United Kingdom
Legal Advisers to Wellcome Trust and CRUK as to English law	CMS Cameron McKenna LLP Cannon Place 78 Cannon Street London EC4N 6AF United Kingdom

PART I – TRANSACTION OVERVIEW

Background to and reasons for the Issue and Firm Placing

The Company intends to use certain proceeds from the Firm Placing and the Issue to fund the proposed expansion of the Company (the "**Proposed Transaction**"). The Company is intending to evolve in order that it can capture the value of commercialising UK life science and medical innovation whilst continuing to make Fund Investments in leading long-only and alternative investment funds.

The principal elements of the Proposed Transaction, each of which is conditional on the others, are as follows:

- The Company's Investment Policy will be extended to permit it to make an unlimited number of Life Science Investments with a view, over time, to the Company becoming predominantly a Life Science Investment company. The Company will predominately make early stage Life Science Investments but with a view to holding, and financing, those Life Science Investments until they reach commercialisation and beyond. The Company will also commit at least 25 per cent. of the assets that it commits to Life Science Investments to Life Science Investments with a sole or dominant focus on oncology.
- The Company will continue to make Fund Investments, although new Fund Investments will not necessarily be made on a "gross return" basis.
- The Company will continue to donate a portion of its net asset value to charity each year, but the relevant percentage will be reduced to 0.3 per cent. to take account of the increased size of the Company (subject to transitional arrangements to prevent the actual amount of the donation falling as a result of implementation of the Proposed Transaction).
- The Company expects to invest approximately £100 million per year of its gross assets in Life Science Investments until substantially all of the Company's gross assets are invested in Life Science Investments as driven by demand on an ad hoc basis.
- The Company will not be required to invest a specific percentage of its assets in either Life Science Investments or Fund Investments. The Company expects, however, that it will invest its assets in Fund Investments until it requires financing for specific Life Science Investments, at which time, an appropriate amount of the Fund Investments may be sold or realised to generate the necessary capital for Life Science Investments.
- The Company will use certain of the proceeds from the Firm Placing and the Placing and Open Offer as consideration to acquire the partnership interests in Syncona Partners LLP and Syncona Management LLP (the "**Syncona Partnership Interests**") and the limited partnership interest in the Pioneer Fund which is currently held by Cancer Research Technology (the "**Initial Life Science Portfolio**"). In doing so the Company will hold, in aggregate, 64.11 per cent. of the limited partnership interests in the Pioneer Fund.
- It is proposed that Wellcome Trust, through Wellcome Ventures (a company of which Wellcome Trust is the ultimate parent undertaking and controlling party), will invest approximately £319 million in New Ordinary Shares of the Company on a non-pre-emptive basis. As Wellcome Ventures' share subscription will result in it holding 30 per cent. or more of the Company's voting rights (as enlarged by the Issue) it will be conditional on the Company's existing shareholders passing a Rule 9 Resolution.
- It is further proposed that CRUK will invest approximately £27 million in New Ordinary Shares of the Company on a non-pre-emptive basis.
- The Company will reconfigure its investment management arrangements by the recruitment of the existing Syncona Investment Management Team. These investment management personnel will be employed by a new wholly-owned subsidiary of the Company ("**SIML**"), whose chief executive officer will be Martin Murphy, currently the chief executive officer of Syncona. Subject to receipt of the appropriate regulatory authorisations, SIML will become the alternative investment fund manager of the Company with investment discretion over the Company's entire investment portfolio including, as described below, the allocation of assets to Life Science Investments and Fund Investments. SIML will enter into the SIML IMA.
- The Company is in discussions with the European Investment Fund (a current investor in the Pioneer Fund) regarding the potential future acquisition of its limited partnership interest in the Pioneer Fund.

- The Company plans to enter into a future pipeline agreement with Cancer Research Technology (the "**CRUK Pipeline Agreement**") for an initial period of five years to gain access to life science opportunities sourced by CRUK. Following the implementation of the CRUK Pipeline Agreement it is intended that the Sixth Element Capital LLP management team ("**Sixth Element**"), currently engaged as investment manager to the Pioneer Fund, will join the Life Science Investment Management Team.
- Besides the issue of New Ordinary Shares to the Firm Placees on a non-pre-emptive basis, the Company proposes to make a pre-emptive Open Offer to its existing Shareholders and a Placing to external investors (which shall not include the Firm Placees).
- In addition, the Company will offer its existing Shareholders the opportunity to sell their Sale Shares to incoming investors through the Liquidity Facility at the same price at which the New Ordinary Shares will be issued to new investors. Demand under the Placing will be satisfied by the transfer of Sale Shares under the Liquidity Facility in preference to the issue of New Ordinary Shares to the extent required and the number of New Ordinary Shares issued under the Issue will be reduced by the number of Sale Shares offered for sale by Selling Shareholders under the Liquidity Facility.

In addition, the Company proposes the following:

- The appointment of two new directors to the Company's board, namely Nigel Keen and Ellen Strahlman, and the resignation of Arabella Cecil, who is a member of the BACIT UK investment management team.
- The approval of a long term incentive plan ("**LTIP**") for the investment management employees of SIML.
- The approval, as a related party transaction, of the extension of the term of the BACIT UK IMA as follows:
    - The BACIT UK IMA will have an initial fixed term of five years from the date (the "**Start Date**") which is the last day of the month in which the Implementation Date occurs (the "**First Period**").
    - At the expiry of the First Period, the BACIT UK IMA will continue for a further five years and terminate on the date that is ten years from the Start Date (the "**Second Period**") provided that, over the First Period, the Fund Investment portfolio has achieved a time weighted return equal to (a) at least 70 per cent. of the upside return or (b) no worse than 40 per cent. of the downside return generated by the FTSE All Share Index over the First Period (assuming reinvestment of all dividends).
- The amendment of the Company's articles of incorporation:
    - to remove the requirement to propose a discontinuation vote at its 2017 annual general meeting and at every fifth annual general meeting thereafter;
    - to provide that the Company may only make a material amendment to its Investment Policy by way of an extraordinary resolution of its shareholders (requiring three-quarters of the votes cast on the resolution to be in favour); and
    - to provide that pre-emption rights shall not apply in respect of Ordinary Shares to be issued and allotted by the Company to service awards under the LTIP.
- The change of the Company's name to "Syncona Limited".

If implemented, the effect of the Proposed Transaction will be to provide Shareholders with exposure though the Company to some of the leading life science opportunities in the United Kingdom as well as the Company's existing Fund Investment portfolio and the Company's Annual Donation to charities, including the ICR, will continue.

It is intended that the Implementation Date will occur on or around 19 December 2016.

Shareholder approvals

The implementation of the Proposed Transaction requires a number of matters to be approved by Shareholders, in respect of which resolutions are being proposed at the EGM (the "**Implementation Resolutions**").

The Company is also bringing forward the discontinuation vote that would otherwise have been proposed at its annual general meeting in 2017 (the "**Discontinuation Vote**").

The Issue and the Firm Placing and the implementation of the Proposed Transaction are each conditional on:

a) the Implementation Resolutions having been passed and the Discontinuation Vote not having passed; and

b) the Company having received subscriptions for a number of Ordinary Shares under the Placing (which, for the avoidance of doubt, shall exclude the subscriptions for New Ordinary Shares by the Firm Placees as part of the Firm Placing), which is equal to or exceeds the number of Sale Shares that Selling Shareholders have elected to sell.

There can, therefore, be no guarantee that each of these conditions will be met and therefore no guarantee that the Issue, the Firm Placing or the Proposed Transaction will proceed.

Implementation Resolutions

There are eleven Implementation Resolutions, each of which is conditional on the others being passed and the Discontinuation Resolution not being passed. The Implementation Resolutions are as follows:

- An ordinary resolution to approve the amendment and restatement of the Company's Investment Policy, described further below.
- An ordinary resolution to approve the amendments, as a related party transaction, to the BACIT UK IMA.
- An ordinary resolution to approve the terms of the LTIP.
- Ordinary resolutions to approve the resignation of Arabella Cecil and the appointment of the Proposed Directors.
- An ordinary resolution regarding the possibility that, as a result of the Issue and the Firm Placing, Wellcome Ventures will hold more than 30 per cent. of the issued share capital of the Company and to waive any obligation by Wellcome Ventures or its concert parties to make a general offer to the Shareholders for their Ordinary Shares in accordance with Rule 9 of the City Code.
- A special resolution to change the Company's name from BACIT Limited to Syncona Limited.
- A special resolution to amend the Company's Articles of Incorporation to remove the requirement to propose a discontinuation resolution at the annual general meeting in 2017 and at the annual general meeting held every five years thereafter, to amend the threshold for changing the Company's Investment Policy such that, going forward, approval of such change will require 75 per cent. of voting shareholders to vote in favour of it and to provide that pre-emption rights shall not apply in respect of Ordinary Shares to be issued and allotted by the Company to service awards under the LTIP.
- An ordinary resolution to authorise the issue of 386,272,980 New Ordinary Shares (representing 100 per cent. of the issued share capital of the Company as at the latest practicable date prior to the publication of this Prospectus).
- An extraordinary resolution to disapply pre-emption rights in connection with the allotment and issue (or sale from treasury) for cash of up to 386,272,980 New Ordinary Shares (representing 100 per cent. of the issued share capital of the Company as at the latest practicable date prior to the publication of this Prospectus) to the Firm Placees and to eligible investors under the Placing.

All of the Implementation Resolutions must be passed for the Issue, the Firm Placing or the Proposed Transaction to go ahead.

Proposed Investment Policy

The Proposed Investment Policy is as follows:

The Company may invest in:

- life science businesses (including private and quoted companies) and single 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 IRR per share across its investment portfolio of 15 per cent. per annum over the long term[2].

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 asset opportunities and the Company's investment in the 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 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, measured at the time of investment:

- no more than 25 per cent. of the Company's gross assets may be invested in any single Life Science Investment; 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;

2 This is an estimate only and not a profit forecast. There can be no assurance that this estimate will be met and it should not be taken as an indication of the Company's expected or actual future results. Potential investors should decide for themselves whether or not this estimation is reasonable or achievable in deciding whether to invest in the Company.

- 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 ICR not knowingly to make any investment which contravenes the tobacco restriction contained in the investment policy of the ICR and (b) CRUK not knowingly to make or continue to hold any investments in the Fund Investment Portfolio which would result in exposure to tobacco companies exceeding one 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 BACIT Foundation for onward distribution among other charities in proportions which are determined each year by shareholders.

The Company will bring forward charitable donations for future years with the effect of maintaining the amount of charitable donations for 2016 to 2017 and 2017 to 2018 at a level equal to the amount donated in 2015 to 2016. Any excess amount paid by the Company in those two years will be recovered from the charitable donations for future years which will be equal to the lower of (i) 0.3 per cent. of its net asset value and (ii) the actual amount donated in 2015 to 2016, until such time as any excess amounts have been recovered in full.

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 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 will are no limitations on such arrangements being entered into at the level of the Company's underlying investments.

Conditions to implementation of the Proposed Investment Policy

The implementation of the Proposed Investment Policy, as with the Firm Placing, the Issue and the rest of the Proposed Transaction, is conditional upon:

a) the passing of all of the Implementation Resolutions and the Discontinuation Vote not having passed; and

b) the Company having received subscriptions for a number of Ordinary Shares under the Placing (which, for the avoidance of doubt, shall exclude the subscriptions for New Ordinary Shares by the Firm Placees), which is equal to or exceeds the number of Sale Shares that Selling Shareholders have elected to sell.

All of the Implementation Resolutions must be passed for the Proposed Investment Policy to be adopted by the Company and, conversely, if the Proposed Investment Policy is not adopted none of the Implementation Resolutions will be passed and the Company will not proceed with its planned acquisition of the Initial Life Science Portfolio. If the Proposed Investment Policy is not adopted by the Company and the Discontinuation Vote is not passed the Company will continue to make investments according to its existing Investment Policy as set out in Part II of this Prospectus.

Board of Directors

If the Proposed Transaction is implemented Arabella Cecil will resign as a director of the Company and each of Nigel Keen and Ellen Strahlman will be appointed as directors. Each of Jeremy Tigue, Peter Hames, Thomas Henderson and Nicholas Moss will remain on the board.

Biographies for each of the new directors (the "**Proposed Directors**") are as follows:

Nigel Keen

Nigel is the Chairman and co-founder of Syncona Partners. He is also Chairman of Oxford University Innovation, the technology transfer group for Oxford University, and Chairman of the Oxford Academic Health Science Network, a new entity established by the National Health Service in England to align the interests of patients in its region with academia, industry and the healthcare system. He was previously Chairman of Laird plc for 14 years and Oxford Instruments plc for 16 years. His career has encompassed venture capital, industry and banking. He has a degree in engineering from Cambridge University, is a Fellow of the Institute of Chartered Accountants, a Fellow of the Institute of Engineering and Technology and has been involved in the formation and development of high technology businesses for more than thirty years. He is also the Chairman of the AIM listed medical device company, Deltex Medical plc.

Ellen Strahlman

Ellen is a senior executive with 25 years of international experience in the healthcare industry (biopharmaceuticals, medical devices, public health). Ellen is currently the Chief Medical Officer and Executive Vice President, Research & Development for BD (Becton, Dickinson and Company), a leading global medical technology company. Ellen was previously with GlaxoSmithKline, plc, having served as the Senior Vice President and Chief Medical Officer (CMO) since 2008 and more recently working in the Office of the CEO as Senior Medical Advisor and Global Head of Neglected Tropical Diseases. Ellen is a graduate of Harvard University (Biochemical Sciences) and obtained her medical degree from the Johns Hopkins School of Medicine. She has medical qualifications in general surgery (Johns Hopkins) and ophthalmology (the Wilmer Institute, Johns Hopkins). Finally, Ellen earned her Master's Degree in Health Sciences from the Johns Hopkins Bloomberg School of Public Health as a Carnegie-Mellon Physician Public Health Fellow.

Acquisition of Initial Life Science Portfolio

The Company will use certain of the proceeds from the Firm Placing and the Placing and Open Offer as consideration to acquire the Syncona Partnership Interests and the limited partnership interest in the Pioneer Fund which is currently held by Cancer Research Technology (the "**Initial Life Science Portfolio**").

The Company has already made a commitment of £20 million to the Pioneer Fund through a limited partnership interest held by its wholly owned subsidiary, BACIT Discovery Limited.

Following the implementation of the Proposals the Company will hold, in aggregate, 64.11 per cent. of the limited partnership interests in the Pioneer Fund.

As at 30 September 2016, the estimated value of the Initial Life Science Portfolio is £176.5 million (being the sum of the consideration which the Company intends to pay for the Syncona Partnership Interests and the limited partnership interest in the Pioneer Fund to be acquired from Cancer Research Technology). The estimated value has been arrived at on the basis of two separate valuations (in respect of the underlying assets held by Syncona and the assets held by the Pioneer Fund) carried out by the Life Science Investment Management Team. The Company has received third party valuation advice confirming that the estimated value is within a reasonable range as compared with the valuations of similar types of assets.

The Company will pay cash consideration to acquire the Syncona Partnership Interests. The Company will, as a result, become the indirect owner of the assets comprising the Initial Life Science Portfolio which are currently held by Syncona. In accordance with the method of valuation set out above, the Company intends to pay cash consideration of £165.9 million for the Syncona Partnership Interests. The Company has agreed with Wellcome Ventures to set off its right to receive payment for 126,496,278 New Ordinary Shares against its obligation to pay to Wellcome Ventures the consideration for the Syncona Partnership Interests.

The Company will pay cash consideration to Cancer Research Technology in order that it will acquire the limited partnership interest in the Pioneer Fund that is currently held by Cancer Research Technology. In accordance with the method of valuation set out above, the Company intends to pay cash consideration of £10.6 million to Cancer Research Technology. CRUK will subscribe for 20,872,732 New Ordinary Shares in the Company in total. The Company has agreed with CRUK and Cancer Research Technology to set off its right to receive payment for 8,061,274 New Ordinary Shares against its obligation to pay to Cancer Research Technology the consideration for its limited partnership interest in the Pioneer Fund.

On the Implementation Date the Company will become the direct and indirect owner of the Initial Life Science Portfolio.

Information on the Initial Life Science Portfolio

Further information on the Initial Life Science Portfolio is set out in Part VI "*Initial Life Science Investment Portfolio*" of this Prospectus.

Investment Highlights

The Company has a unique opportunity to make a transformational change to its exposure to, and financing of, Life Science Investments whilst also retaining exposure to a portfolio of alternative Fund Investments

The Company intends, over time, to become a UK-based global champion for the translation and commercialisation of new medical technologies whilst retaining its exposure to a portfolio of alternative Fund Investments. Further details of the Initial Life Science Portfolio are set out in Part VI "*Initial Life Science Investment Portfolio*" of this Prospectus.

The Company will target a net IRR of 15 per cent over the long term[3].

Opportunity for the Company to acquire an attractive portfolio of Life Science Investments

The Company has the opportunity to acquire, indirectly, a portfolio of Life Science Investment assets at a price which the Directors believe is attractive for the Company and its Shareholders with the potential for significant upside for the Company and its Shareholders.

Expansion of the Investment Management Team to include a Life Science Investment Management Team with a proven track record of investment in the life sciences industry

The Company will expand its Investment Management Team to include the investment management personnel from Syncona.

The Company believes that the Life Science Investment Management Team possesses a unique combination of experience and expertise and is very well placed to take advantage of the opportunities afforded by the life science sector. Further information on the Life Science Management

3 This is an estimate only and not a profit forecast. There can be no assurance that this estimate will be met and it should not be taken as an indication of the Company's expected or actual future results. Potential investors should decide for themselves whether or not this estimation is reasonable or achievable in deciding whether to invest in the Company.

Team and its approach to investing in the life science sector is set out in Part III "*Investment Management Team*" of this Prospectus.

Investment and alignment with notable external parties

The Company will, following completion of the Proposed Transaction, enjoy increased alignment and partnership with two of the UK's most prominent funders of life science technology and medical innovation.

Following Admission, Wellcome Ventures will hold more than 30 per cent. of the Shares in the capital of the Company and will be subject to a shareholding lock-up of 24 months, subject to certain exceptions, from Admission. Similarly, Cancer Research Technology will be subject to a shareholding lock-up of 24 months from Admission, subject to certain exceptions.

As noted above, the Company intends to make further investments in Life Science Investments and, as a result of its relationship and strong alignment with Wellcome Trust and CRUK, will have access to some of the most exciting private investment opportunities in medical science.

Opportunity to create a larger company

The Company's market capitalisation will increase if the Company is successful at raising new money through the Issue and as a result of the Firm Placing. The increase in size should help make the Company more attractive to a wider and more diversified investor base, including through enhancing the secondary market liquidity in the Shares.

Opportunity to build significant standalone Life Science Investment companies

The Company intends to build significant standalone Life Science Investment companies that bring healthcare products to market independently. The concept of building Life Science Investment companies whose objective is to take their products to market will be central to the strategy of the Life Science Investment Management Team. The Company intends, therefore, to hold its Life Science Investments on a long term basis but will, where it is commercially attractive for the Company and its shareholders, consider earlier disposal of a Life Science Investment.

Charitable component

The Company will continue to donate a portion of its Net Asset Value to charity every year.

Life science market opportunity

In addition to the Initial Life Science Portfolio, the Company will seek to make future Life Science Investments with the aim of generating value from the development and commercialisation of innovative life science technologies and discoveries.

Over the last decade, major technology developments have altered the landscape for investing in biotechnologies and life science:

- **Human genome sequencing** – it is now much less expensive to sequence an entire genome allowing for the application of genome sequencing to routine clinical practice.
- **Gene therapy** – this therapy involves genes being delivered to patients as treatments. Gene therapies have the potential, via a single dose, to provide long-term treatment for inherited and chronic diseases for which there are currently no other therapeutic options. The Life Science Investment Management Team believes that this therapy lends itself to future commercialisation.
- **Immunotherapy** – this therapy involves the "reprogramming" of a patient's immune system to attack their disease (such as cancer) and has shown very positive results in recent studies and clinical trials.

As a consequence of these developments the life science and biotechnology technology industry is entering a "third wave" of innovation:

- **First wave of innovation (1950-1990)** – the development of small chemical drugs (e.g. aspirin, beta-blockers) which are created by synthetic chemistry and mass produced by large pharmaceutical companies.
- **Second wave of innovation (1990 to date)** – the development of large protein drugs (e.g. antibodies such as Herceptin for the treatment of breast cancer) leading to the creation of standalone life science businesses.
- **Third wave of innovation (today to 2050**) – complex cellular and viral drugs (using engineered cells or viruses as treatments).

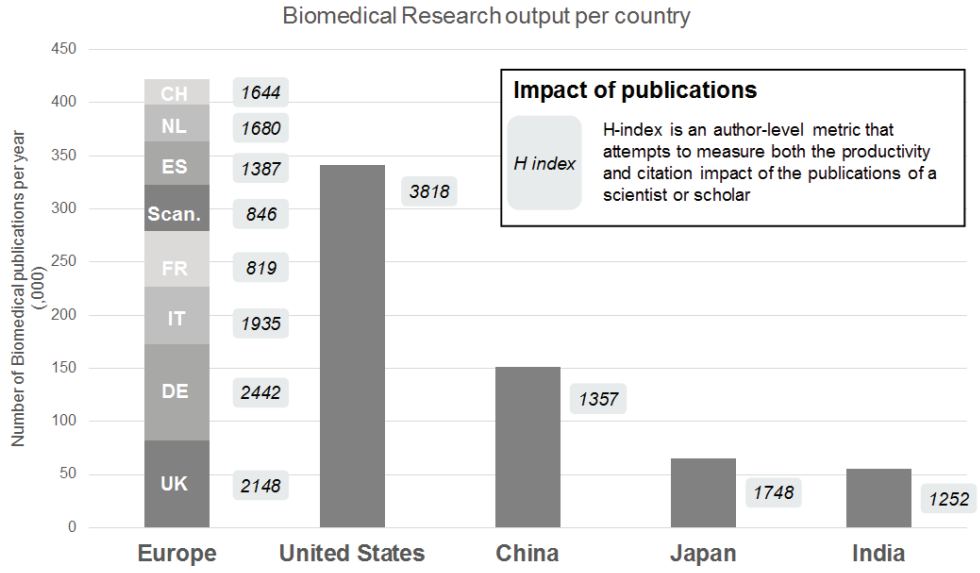
Although many major "second wave" discoveries and innovations were made in Europe, the majority of the commercial value from these technologies has, historically, been captured in the United States.

In the United States, many "second wave" and "third wave" technologies have resulted in the formation of multi-billion dollar, single product companies launched by specialist biotechnology firms rather than large pharmaceutical companies. These companies have generated value by developing marketed products.

The Life Science Investment Management Team's strategy is to construct a portfolio of product companies and assets, built out of an under-exploited European research technology base. To achieve this, the Life Science Investment Management Team intends to finance Life Science Investment businesses to the point of product regulatory approval and, on a selective basis, to commercial launch.

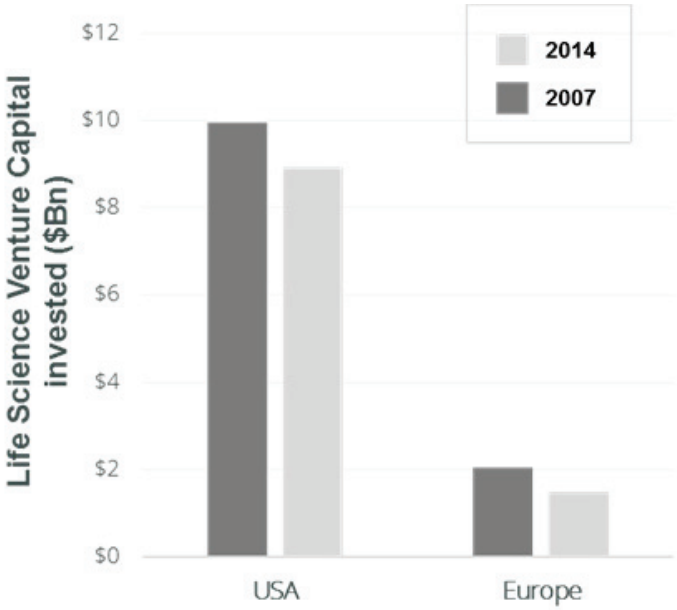
However, it is envisaged that businesses may be sold at any time or that businesses may be shut in the event of technical or commercial issues emerging.

The Life Science Investment Management Team believes that Europe is the world leader in terms of its output in biomedical research.



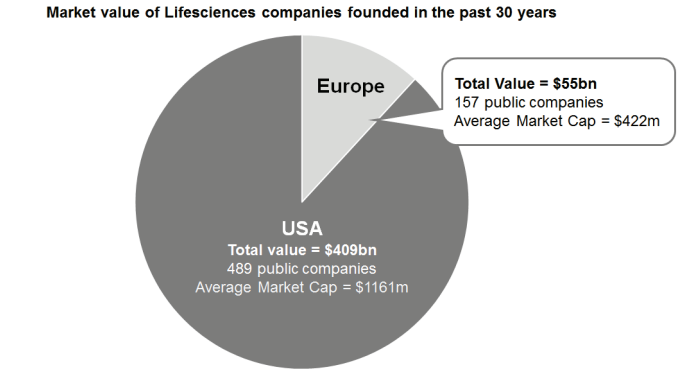
Source: SCImago Journal and Country rank (2014); including publication subjects: Biochemistry and molecular biology, Immunology and microbiology, Medicine, Neuroscience, Pharmacology and toxicology. "Scan." includes the Scandinavian countries Sweden, Denmark and Norway.

However, the research produced in Europe has, historically, been underfunded as compared with the funding provided in the United States.



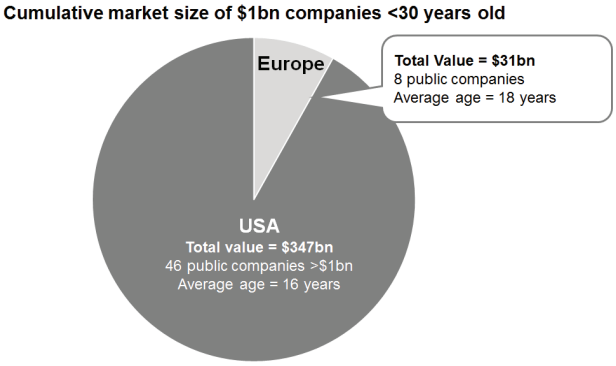
Source: OECD Publishing, Entrepreneurship at a Glance 2015

As a result, despite excellent life science research output, the number of standalone life science companies that have been created in Europe is less than the number of standalone companies that have been formed in the United States.



Source: BioCentury BCIQ database – February 2016. Public companies founded after 1986. Excluding supply and manufacturing companies. Excluding companies listed in Ireland and Jersey for tax purposes, but with no operating presence.

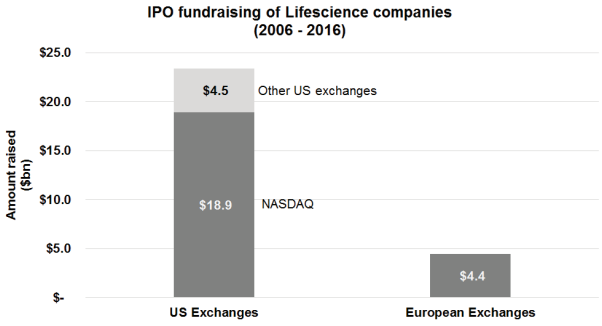
Consequently, the number of $1 billion companies created in Europe is less than the number created in the United States.



Source: BioCentury BCIQ database – February 2016. Public companies founded after 1986. Excluding supply and manufacturing companies. Excluding companies listed in Ireland and Jersey for tax purposes, but with no operating presence.

The average time taken for a company to reach a market capitalisation which exceeds $1 billion is between 16 and 18 years, reflecting the time required to develop, approve, launch and sell innovative healthcare products on a large scale.

It has, historically, been easier for US-based life science companies to access the US capital markets.



Source: BioCentury BCIQ database – February 2016. US and European company IPO figures. Excluding supply and manufacturing companies. Amounts raised converted to USD.

As a result there has, historically, been leakage of value from the United Kingdom and Europe to the United States. For example, Abiraterone was developed by CRUK and the ICR but was licensed to Cougar Biotechnology, a company based in Los Angeles. Cougar Biotechnology was acquired by Johnson & Johnson for $1 billion in 2009 and Abiraterone was eventually launched by Johnson & Johnson in 2011 as Zytiga. Zytiga has estimated sales to 2018 of $2.3 billion.

The Life Science Investment Management Team believes that there is an opportunity to provide long term finance to early stage life science ventures based in Europe. The Life Science Investment Management Team believes that it can exploit this opportunity with its standalone company investment focus and the Company's ability and desire to finance companies over the long term timeframes which are required to create significant standalone companies.

The Life Science Investment Management Team believes that the Company will be well placed to take advantage of this opportunity. In Europe, there are relatively few market participants who are able to compete with the approach which will be implemented by the Life Science Investment Management Team. Traditional European venture capital companies are constrained by fixed term partnership structures.

Some US-based life science investors have recognised the market opportunity that exists in Europe but the Life Science Investment Management Team believes that the Company will have a competitive advantage over those investors as a result of the experience, operational history and operational focus of the Life Science Investment Management Team and the Company's future relationships with both CRUK and Wellcome Trust.

Investment Strategy

The "third wave" technology innovations (see above for further details) emerging from Europe provide an opportunity to build standalone life science companies that bring healthcare products to market. The concept of building life science companies whose objective is to take their products to market will be central to the strategy of the Life Science Investment Management Team.

The Life Science Investment Management Team will also focus on existing Life Science Investments that have adopted a technology and commercial strategy consistent with the Life Science Investment Management Team's focus on companies being capable of taking their own products to market.

The Life Science Investment Management Team will also generate new Life Science Investment opportunities through its existing expertise and know-how and will establish companies which translate promising scientific theory into commercially viable medical technologies.

The Life Science Investment Management Team will make Life Science Investments with a focus on the delivery of medical products. The returns available will be dependent on the fundamentals of healthcare demand driven by an increasingly ageing population.

Life Science Investments will be sourced through the Life Science Investment Management Team's network of relationships and will also be facilitated by the Company's future relationship with CRUK and Wellcome Trust. These relationships should provide the Company with access to some of the best academic researchers in the biomedical and life science industry.

The Life Science Investment Management Team expects to encounter a large number of different Life Science Investment opportunities in any given year and has a well-established procedure for filtering different opportunities to ensure that it focuses its resources on the best Life Science Investment opportunities.

Life Science Investments will be sourced across all European territories with a focus on the United Kingdom, Denmark, Sweden, Netherlands, Belgium and Germany.

The Life Science Investment Management Team will, in addition and wherever possible to do so, seek to identify areas where an existing technology that has already been developed can be applied in a different context in order to maximise the possible returns from that particular technology.

The Life Science Investment Management Team has a well established process for sourcing new Life Science Investments and proactively approaching scientists and other industry professionals with expertise in areas which are compatible with the existing experience of the Life Science Investment Management Team.

The typical Life Science Investment size will range from £5 million to £150 million. Life Science Investments will, typically, require relatively small amounts of initial capital and the more successful Life Science Investments will attract the need for further capital as they develop. The Life Science Investment Management Team expects, on average, to complete three new Life Science Investments per year following the implementation of the Proposed Transaction.

The Life Science Investment Management Team expects that initially it will hold a controlling stake in the majority of its Life Science Investments, especially where investments are made into early stage Life Science Investment businesses. The Life Science Investment Management Team may, as initial investments develop, seek external third party funding, which would dilute its shareholding in the relevant Life Science Investment, but it will not adopt this practice in respect of all Life Science Investments.

Active management

The Life Science Investment Management Team believes in the active management of its early stage Life Science Investment businesses, including having its representatives on the boards of directors of its Life Science Investment companies.

In the initial phase of Life Science Investment company development, personnel from the Life Science Investment Management Team will be seconded to the Life Science Investment companies to occupy managerial positions, including as temporary CEO. In some cases, in this initial phase, the Life Science Investment Management Team will provide finance and accountancy functions and other support staff for the relevant Life Science Investment company.

The Company will, as a result, have direct influence over the early stage development of the relevant Life Science Investment company. Generally, the Life Science Investment Management Team will seek

to charge a fee to the relevant Life Science Investment company in respect of the services provided by the Life Science Investment Management Team.

The Life Science Investment Management Team's role will decrease over time as the relevant Life Science Investment companies become standalone life science businesses with independent executive management teams and with their own support systems. For example, in the case of Blue Earth, Nightstar and Autolus, no members of the Life Science Investment Management Team are members of the executive team at the Life Science Invesment company level.

Beyond the initial phase, the Life Science Investment Management Team will continue to closely monitor the development of each Life Science Investment in order to fulfil its investment management responsibilities to the Company.

Issue Price

The Company will issue up to 386,272,980 New Ordinary Shares priced at a 1.35 per cent. premium to the Company's NAV per Share as at 31 October 2016, at least to take account of the fees and expenses of the Issue and in order to ensure that existing Shareholders are not diluted.

The Firm Placing

The Company will, by way of a Firm Placing, issue 264,334,417 New Ordinary Shares to the Firm Placees (being 243,461,685 New Ordinary Shares to Wellcome Ventures and 20,827,732 New Ordinary Shares to CRUK).

Liquidity Facility

The Company recognises that some Shareholders may wish to realise a portion of their shareholding.

The Company is offering its Shareholders the opportunity to sell their Sale Shares under the Liquidity Facility at the Offer Price. The Liquidity Facility will be implemented on a temporary basis in connection with the Issue and the implementation of the Proposed Transaction.

The Liquidity Facility, as with the Firm Placing, the Issue and the Proposed Transaction, is conditional upon:

a) the passing of the Implementation Resolutions and the Discontinuation Vote not having passed; and

b) the Company having received subscriptions for a number of Ordinary Shares under the Issue (which, for the avoidance of doubt, shall exclude the subscriptions for New Ordinary Shares by the Firm Placees), which is equal to or exceeds the number of Sale Shares that Selling Shareholders have elected to sell.

All of the Implementation Resolutions must be passed for the Liquidity Facility to go ahead.

A Selling Shareholder (required to validly complete a Deed of Election or give a TTE Instruction) will only be entitled to sell its Sale Shares to the extent that such Sale Shares can be sold by the Company, acting as agent for the Selling Shareholder, to an incoming investor. The maximum number of Sale Shares that Selling Shareholders shall be able to sell as part of the Liquidity Facility shall be capped at a number of Sales Shares which is equal to the number of Ordinary Shares which are subscribed for as part of the Issue.

Any Sale Shares which are transferred to incoming investors as part of the Liquidity Facility shall be transferred at the Offer Price.

Shareholders who wish to sell their Sale Shares should complete and return the Deed of Election in accordance with the instructions set out in that document.

The Deed of Election is a legal document governed by English law which contains instructions from Shareholders to sell a specific number of Sale Shares. Shareholders will need to specify in the Deed of Election the exact number of Sale Shares that they would like to sell, as well as provide certain other details that are necessary for the Company to arrange for the sale of those Sale Shares on their behalf, including confirmation of title and, where those Sale Shares are currently held in certificated form, a share certificate.

By entering into the Deed of Election, a Shareholder will be appointing the Company under a power of attorney to sell the Sale Shares specified in the Deed of Election at the Offer Price and will be providing the Company and J.P. Morgan Cazenove with the representations, warranties, undertakings, confirmations and indemnities provided in the Deed of Election. If Shareholders have any questions about the Deed of Election and its contents and effect, they are recommended to take appropriate independent advice.

PART II – THE COMPANY

The information set out in Part II of this document describes the existing characteristics of the Company and the Group prior to the implementation of the Proposed Transaction and includes information about how the Proposed Transaction will affect the Company.

Introduction and structure

The Company is a registered closed-ended investment scheme incorporated in Guernsey on 14 August 2012 as a non-cellular company limited by shares with an indefinite life. The Company operates as a fund-of-funds which invests in investment entities and managed accounts managed by a selection of managers and across a variety of asset classes.

The Ordinary Shares were listed on the premium segment of the London Stock Exchange on 26 October 2012 when it commenced its business. The Company raised £206,734,775 (before expenses) from the offer of Ordinary Shares made during the listing and a further £200,000,000 from a subsequent issue of C Shares on 26 September 2013.

The Company's investment portfolio is managed by BACIT UK which is regulated as an AIFM under the AIFMD by the FCA.

The Company and the General Partner have entered into the BACIT UK IMA with BACIT UK. BACIT UK has sole responsibility for and discretion over investing and managing the Company and the Limited Partnership's direct and indirect assets, subject to and in accordance with the Investment Policy.

BACIT UK is an external and independent company.

The Company's issued share capital on Admission will comprise the existing Ordinary Shares and the New Ordinary Shares.

Past Performance

The Company has shown strong performance since its listing on 26 October 2012.

From launch to 31 March 2016, the Company's audited total return performance (inclusive of dividend distributions) was 29.5%.

As at 31 October 2016, the Company's unaudited total return performance (inclusive of dividend distributions) was 39.58%.

The table below shows the movement in the performance of the Company's unaudited monthly Net Asset Value from 31 October 2012 to 30 September 2016:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2016	-2.19%	-0.41%	0.08%	0.08%	1.30%	-1.46%	2.01%	1.51%	1.32%	2.79%			5.04%
2015	2.73%	1.01%	3.58%	-0.16%	1.53%	-2.56%	2.15%	-2.07%	-2.13%	1.60%	2.39%	1.44%	9.69%
2014	-0.55%	0.58%	0.13%	-1.64%	2.18%	-0.20%	-0.51%	0.26%	0.58%	0.17%	2.36%	0.55%	3.91%
2013	4.12%	2.55%	2.58%	-0.16%	2.69%	-1.57%	1.24%	-1.23%	-0.78%	2.94%	-0.42%	0.82%	13.32%
2012	—	—	—	—	—	—	—	—	—	—	0.53%	2.34%	2.89%

The Company has, since inception, returned an equivalent of £26 million to its Shareholders by way of dividend.

Investment Objective and Investment Policy

The Company's existing investment objective and Investment Policy, in accordance with which the Company has made its Fund Investments to date, is set out below. The Company is intending, upon implementation of the Proposed Transaction, to adopt the Proposed Investment Policy.

Investment Objective

The Company's existing investment objective is to deliver superior returns from investments in leading long-only and alternative investment funds across multiple asset classes.

Investment Policy

The Group currently invests in leading long-only and alternative investment funds across multiple asset classes.

Investments are, currently, only made in cases where the relevant investment manager provides investment capacity on a "gross return" basis, meaning that the Group 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 Group not to charge management or performance fees, by rebating or donating back to the Group any management or performance fees charged or otherwise arranging for the Group 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 Group 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 Group 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.

The composition of the Group's investment portfolio will vary over time in terms of its investment in asset classes, strategies, managers and funds but the Group intends to be invested in at least 15 distinct investment funds or managed account strategies at any time.

The Group may, currently, invest up to one per cent. per annum of Net Asset Value to acquire interests in ICR Projects. To the extent that less than one per cent. of Net Asset Value is allocated to ICR Projects in any given year, the amount available for investment in such projects as and when appropriate opportunities become available in subsequent years may be increased by such uninvested amount. This may be facilitated through investment in one or more funds or vehicles which may be managed or advised by a specialist third party investment manager.

The Group may invest in the CRT Pioneer Fund LP (the "**Pioneer Fund**") as if it were an ICR Project, save that the Group may make up to a maximum capital commitment of £20 million (including the contribution of its existing investment in the CHK1 Project), notwithstanding that the Group will be required to bear management and performance fees, in the form of a general partner's share and carried interest, in respect of its investment. The amount that the Group may contribute to drawdowns of the Pioneer Fund in any one calendar year will not be subject to the one per cent. of net asset value cap otherwise applicable to investments in ICR Projects. In the event that drawdowns by the Pioneer Fund were to exceed this cap in any one calendar year, the Group would not make any new commitments to or investments in any ICR Project unless and until the cumulative amount that has been invested by the Group in the Pioneer Fund and in other ICR Projects has not exceeded an amount equal to the aggregate of one per cent. of the Company's net asset value for each year of the Company's life.

The Group may currently invest (i) no more than 20 per cent. of its assets (measured at the time of investment) in any single fund or managed account; (ii) no more than 30 per cent. of its assets (measured at the time of investment) with a single investment manager; (iii) no more than 50 per cent. of its assets (measured at the time of investment) in funds or managed accounts pursuing any single investment strategy (defined for these purposes as convertible arbitrage, distressed, emerging markets, equity, event-driven, fixed income, macro, merger arbitrage, multi-strategy and relative value and systemic strategies); and (iv) no more than 80 per cent. of its assets (measured at the time of investment) in any single asset class (defined for these purposes as long-only equity funds, hedge funds, private equity funds, credit and fixed income, real estate funds, infrastructure funds and other asset classes not included in any of the foregoing).

The Group may, currently, make short term investments in short term deposits or investments that are readily realisable pending investment in longer-term opportunities. While the Group will generally seek to make these temporary investments on a "gross return" basis, it may make temporary investments in fee-bearing money market funds at any time if it expects the net return to such investments to exceed the return that it expects would otherwise be available on non-fee bearing temporary investments.

The funds and accounts in which the Group invests 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. The Group may invest on a global basis, including in funds that invest in emerging markets.

The Company has agreed with the ICR not knowingly to make any investment (directly or indirectly) which contravenes the tobacco restriction contained in the investment policy of the ICR.

The Group makes the Annual Donation to charity, paid in arrears (and pro-rated for partial years), of one per cent. of Net Asset Value, half of which is donated to the ICR and half of which is donated to The BACIT Foundation. The BACIT Foundation grants those funds (net of The BACIT Foundation's running expenses) to charities named in a list proposed annually by The BACIT Foundation (including the ICR) in proportions determined each year by investors in the Company. The list of charities is sent to Shareholders at or around the same time as the Company's annual report is despatched in each year. The first such payment was paid in respect of the partial year ended 31 March 2013 (pro-rated in respect of the period from Admission to the year-end).

In the period from launch to the date of this Prospectus, the Company has made Annual Donations equal to £13.3 million to 20 different charities.

The Group may currently incur indebtedness for the purpose of financing Share repurchases or redemptions, making investments (including as bridge finance for investment obligations), satisfying working capital requirements or to assist in payment of the Annual Donation, up to a maximum of 20 per cent. of Total NAV at the time of incurrence. The decision on whether to incur indebtedness may be taken by the Investment Management Team 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 Group's underlying investments.

The Group 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 Group's underlying investments.

Directors of the Company

Jeremy Tigue (Chairman)

Jeremy Tigue has more than 30 years' investment experience. He joined F&C Management in 1981 and was the fund manager of Foreign & Colonial Investment Trust PLC from 1997 to 2014. He was a Director of the Association of Investment Companies from 2003 to 2013 and was Chairman of the Institutional Shareholder Committee from 2006 to 2008. He is a Director of ICG Enterprise Trust PLC, The Mercantile Investment Trust plc, The Monks Investment Trust PLC and Standard Life Equity Income Trust PLC.

Arabella Cecil

Arabella Cecil started working in financial services in 1987, for Finbancaria (corporate finance, Milan), and later Banque Hottinguer (Paris), and Credit Lyonnais Laing (London) where she was head of food manufacturing research. Between 1998 and 2008 she owned and ran Gravity Pictures, which specialised in filmmaking in the IMAX® format. Most recently she was an investment manager and a member of the investment and risk committees of Culross Global Management.

Peter Hames

Peter Hames is a non-executive director of Polar Capital Technology Trust PLC and MMIP Investment Management Limited. He is an independent member of The Operating Committee of Genesis Asset Managers LLP as well as serving on a number of Genesis fund boards. Mr Hames started his investment career working for The Iveagh Trustees Limited, a family office which handled the financial affairs of various members of the Guinness family. In 1990 he joined Aberdeen Asset Management PLC and, in 1992, he relocated to Singapore where he co-founded Aberdeen Asset Management Asia Limited. As Director of Asian Equities he oversaw regional fund management teams responsible for running a number of top-rated and award-winning funds. He also played an important role in the development of Aberdeen's Global Emerging Market products. He left Aberdeen in 2010.

Thomas Henderson

Thomas Henderson has over 25 years' experience working in the financial markets, investing in the UK, Continental Europe, Russia and the United States. He is the founder and investment manager of New Generation Haldane Fund Management Limited (previously Eden Capital). Previously, Mr Henderson was a portfolio manager for Moore Capital and prior to that worked with Cazenove & Co. in London and New York.

Nicholas Moss

Nicholas Moss is the founder of Virtus Trust, a successful and award winning international fiduciary and investment services business headquartered in Guernsey, and with operations in several countries including the US, UK, New Zealand and the Cayman Islands. Nicholas has overseen Virtus's growth since 2006 to over $7bn of client assets held for clients in over 30 countries. He is a highly experienced fiduciary and investment practitioner, advising family offices and private clients in many jurisdictions. He regularly assists clients in the establishment and ongoing monitoring of complex multi manager client investment portfolios as well as advising on other assets such as real estate, art collections and other collectables. Previously he worked at N M Rothschild as a managing director within that group's private wealth division. He holds a number of non-executive Board appointments including the London premium segment listed BH Global Limited and Carador Income Fund PLC as well as several real estate, specialist asset and investment funds. He is a Fellow of the Institute of Chartered Accountants in England and Wales.

Corporate governance of the Company

The Company is not currently a member of the Association of Investment Companies. The Company must comply with the requirements of the UK Corporate Governance Code (September 2014) issued by the Financial Reporting Council (the "**Corporate Governance Code**") or explain any departures from it.

The Company complies with the relevant provisions of the Corporate Governance Code, except for the following. The Corporate Governance Code includes provisions relating to:

(a) the need for an internal audit function; and

(b) whistle-blowing policy.

The Board considers these provisions are not relevant to the position of the Company as it is an investment company. The Company has therefore not reported further in respect of these provisions.

In particular, the Directors are non-executive and the Company does not have employees, hence no whistle-blowing policy is required.

The Company is subject to the GFSC Finance Sector Code of Corporate Governance, which applies to all companies that hold a licence from the GFSC under the regulatory laws or which are registered or authorised as collective investment schemes in Guernsey. As the Company reports against the Corporate Governance code, it is deemed to meet the requirements of the GFSC Finance Sector Code of Corporate Governance.

The Directors have adopted a code of directors' dealings in the Shares. The Board are responsible for taking all proper and reasonable steps to ensure compliance with this share dealing code by the Directors.

Key man

Shareholders should note that, if the Proposed Transaction is implemented, the Company will no longer be required to make alternative proposals for the approval of Shareholders should Thomas Henderson cease to be involved with the Company or the Group.

Board committees

The Company has established an audit committee and a nomination committee with formally delegated duties and responsibilities.

The Company's audit committee meets formally at least three times a year for the purpose, amongst others, of considering the appointment, independence and remuneration of the auditors and to review the annual statutory accounts and interim report. Where non-audit services are to be provided to the Company by the auditors, full consideration of the financial and other implications on the independence of the auditors arising from any such engagement will be considered before proceeding. The audit committee is chaired by Nicholas Moss and its other member is Peter Hames. The principal duties of the audit committee are to consider the appointment of external auditors, to discuss and agree with the external auditors the nature and scope of the audit, to keep under review the scope, results and cost effectiveness of the audit and the independence and objectivity of the auditors, to assess the effectiveness of the audit, to review the external auditors' letter of engagement and management letter and to analyse the key procedures adopted by the Company's service providers.

The Company has established a nomination committee with the primary purpose of filling vacancies on the Board. The nomination committee has other duties including to review regularly the Board structure, size and composition, to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of that Director, and to make a statement in the annual report about its activities. The nomination committee chairman reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and at least once a year reviews its own performance, composition and terms of reference and recommends any changes it considers necessary to the Board for approval. The nomination committee meets at least once a year and otherwise as required. Members of the nomination committee are appointed by the Board and are made up of at least three members. A majority of the members of the nomination committee are independent non-executive directors of the Company. As at the date of this Prospectus, the committee comprises all members of the Board and is chaired by Nicholas Moss.

Administrator and Secretary

Northern Trust International Fund Administration Services (Guernsey) Limited has been appointed as administrator, secretary and designated administrator of the Company pursuant to the Administration Agreement (further details of which are set out in Part XI "*Additional Information*" of this Prospectus under the heading "Material Contracts – Administration Agreements"). The Administrator is responsible for the Company's general administrative requirements such as the calculation of NAV and NAV per Share, maintenance of the Company's accounting and statutory records.

The Administrator does not act as valuer for the purposes of the AIFMD.

By a separate administration agreement, Northern Trust International Fund Administration Services (Guernsey) Limited has been appointed as administrator of the General Partner and the Limited Partnership (further details of which are set out in Part XI "*Additional Information*" of this Prospectus under the heading "Material Contracts – Administration Agreements"). The Administrator is responsible for the general administrative requirements of the General Partner and the Limited Partnership such as the maintenance of accounting and statutory records and acting as secretary of the General Partner.

The Administrator is licensed by the GFSC under the POI Law to act as "designated administrator" and provide administrative services to closed-ended investment funds and collective investment schemes.

Shareholders should note that it is not possible for the Administrator to provide any investment advice to Shareholders.

Custodian and Depositary

Northern Trust (Guernsey) Limited has been appointed to provide custody and depositary services to each of the Company, BACIT Discovery Limited and the Limited Partnership pursuant to the Depositary Agreements (further details of which are set out in Part XI "*Additional Information*" of this Prospectus under the heading "Material Contracts Depositary Agreements").

Northern Trust (Guernsey) Limited is responsible for verifying, overseeing and ensuring the safekeeping of the assets of each of the Company, BACIT Discovery Limited and the Limited Partnership.

In addition, the Depositary has the following duties to the Company:

(i) ensuring that the sale, issue, re-purchase, cancellation and valuation of Ordinary Shares are carried out in accordance with the Articles of Incorporation and applicable law, rules and regulations;

(ii) ensuring that the value of the units or shares of the Company is calculated in accordance with applicable law, the Articles of Incorporation and the procedures laid down in the AIFM Directive;

(iii) ensuring that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits;

(iv) ensuring that the Company's income is applied in accordance with the Articles of Incorporation, applicable law, rules and regulations; and

(v) carrying out instructions from the Investment Management Team unless they conflict with the Articles of Incorporation or applicable law, rules and regulations.

Shareholders should note that it is not possible for the Depositary to provide any investment advice to Shareholders.

Registrar

Capita Registrars (Guernsey) Limited has been appointed as registrar of the Company pursuant to the Registrar Agreement (further details of which are set out in Part XI "*Additional Information*" of this Prospectus under the heading "Material Contracts – Registrar Agreement").

The Registrar is licensed by the GFSC under the POI Law to provide registrar services to collective investment schemes.

Shareholders should note that it is not possible for the Registrar to provide any investment advice to Shareholders.

Fees and expenses of the Company

Expenses of the Issue and Firm Placing

The costs and expenses of the Issue and Firm Placing will be borne by the Company in full.

These expenses (including fees and expenses payable under the Placing Agreement, registration, listing and admission fees, printing, advertising and distribution costs and professional advisory fees, including legal fees, and any other applicable expenses) are expected to be approximately £6.6 million, representing approximately 1.35 per cent of the gross proceeds of the Issue, assuming £159.9 million is raised through the Issue.

Ongoing expenses of the Company

It is anticipated that, with respect to the Ordinary Shares, on an ongoing basis, following the implementation of the Proposed Transaction, the Company should have an annualised total expense ratio of approximately 1.7 per cent of NAV (including the Annual Donation) per Ordinary Share.

The expenses referred to above are expected to include the following.

Acquisition expenses

Acquisition expenses are those costs (predominantly legal and due diligence costs) incurred by the Company in connection with the acquisition of its Fund Investments and its Life Science Investments.

General expenses

The Company incurs the following ongoing expenses:

(i) Directors of the Company

Each Director (and, following appointment, each Proposed Director) is entitled to a fee of £25,000 per annum and the Chairman to a fee of £40,000 per annum, payable by the Company. The Directors are entitled, pursuant to the Articles, to be reimbursed for expenses properly incurred in the performance of their duties as Directors.

In addition to the remuneration that he will receive if appointed as a Director of the Company, Nigel Keen will also receive a remuneration package from SIML for his proposed role as a director of SIML.

(ii) Administration

For the provision of the services under the Administration Agreements, the Administrator is entitled to receive a fee of: (i) 6 basis points of Net Asset Value per annum on the first £100,000,000 of the Company's net assets; (ii) 4 basis points of Net Asset Value per annum on the next £100,000,000 of the Company's net assets; (iii) 3 basis points of Net Asset Value per annum on the next £100,000,000 of the Company's net assets; and (iv) 2 basis points of Net Asset Value per annum thereafter. The Net Asset Value is calculated as at the last valuation day in each month (as produced by the Administrator). The fees set out above are subject to a minimum fee of £120,000 per annum payable monthly in arrears (the parties may by agreement revise these fees from time to time). The Company also reimburses the Administrator for disbursements and reasonable out of pocket expenses incurred by the Administrator on behalf of the Company, the General Partner or the Limited Partnership.

(iii) Registrar

For the provision of the services under the Registrar Agreement, the Registrar is entitled to receive a minimum fee of £7,999 for maintaining the share register and £500 for share portal services per annum, payable by the Company. Additional charges may be levied by the Registrar depending upon the services which are requested by the Company.

(iv) Custody

For the provision of custody services under the Depositary Agreements, the Custodian is entitled to receive a custody fee of 4 basis points on the assets of the Company under custody up to £300 million and a fee of 3 basis points per annum thereafter, subject to a minimum annual fee of £20,000, together with transaction charges, payable by the Company, BACIT Discovery Limited or the Limited Partnership.

(v) Depositary

Under the terms of the Depositary Agreements, the Depositary is entitled to a fee of 2 basis points of Net Asset Value per annum.

(vi) Other operational expenses

Other costs that will be borne by the Group are expected to include travel, accommodation, public relations, custody, stock exchange, regulatory, printing, audit and legal fees. Additionally, all out-of-pocket expenses of the Directors, the Administrator, the Registrar and the Custodian relating to the Company will be borne by the Company.

(vii) Underlying Fund Investment expenses

The Group will bear its applicable portion of the costs and expenses incurred by the funds included in the Fund Investment Portfolio other than any management or performance fees, for example the cost of audit and other services provided to the fund by third parties.

Ongoing expenses of the Investment Management Team

SIML management fee

From the Implementation Date for the provision of its services the Company will pay SIML an annual fee of up to one per cent. per annum of the Company's Net Asset Value (attributable to both Life Science Investments and Fund Investments).

BACIT UK management fee

From the Implementation Date the Company will pay BACIT UK an investment management fee equal to:

- 0.19 per cent. of Net Asset Value per annum for the First Period; and
- 0.15 per cent. of Net Asset Value per annum for the Second Period.

The fee will be payable monthly in arrears and each payment shall be calculated using the monthly Net Asset Value (attributable to both the Life Science Investments and the Fund Investments) as at the previous month end.

Life Science Investment Management Team LTIP

The Company will, conditional upon the implementation of the Proposed Transaction, implement an LTIP structure which will be benchmarked against current market performance standards.

Distribution Policy

The Board targets a dividend of 2 per cent. of NAV per annum.

The Company pays a scrip dividend annually. Shareholders have the option to elect to receive the dividend in cash but will, in the absence of any such election, receive Ordinary Shares.

Gearing policy

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 Donation, up to a maximum, in respect of each class of Shares in issue from time to time, of 20 per cent. of the NAV of that class of Shares at the time of incurrence.

Indefinite life

The Company has been established with an indefinite life. As set out in Part I of this document, the Company has brought forward the Discontinuation Vote such that it will be held at the EGM. The Company has also proposed, as one of the Implementation Resolutions, that the Articles be amended such that the Discontinuation Vote is removed.

Discount Management

The Company has the authority to acquire up to 14.99 per cent. of the Shares in issue in any year (or in excess of 14.99 per cent. pursuant to a tender offer made to all Shareholders). The Company intends to seek Shareholder authority to make own share purchases on an annual basis. However, the Directors have no current intention of utilising the authority and the making and timing of acquisitions of Shares by the Company, if any, and the price at which any such acquisitions are effected, will be at the absolute discretion of the Board. Further, the utilisation by the Company of this discount management measure is subject to all applicable laws, rules and regulations (including, without limitation, as to the satisfaction of the relevant statutory solvency test) prevailing at the time of utilisation and the Articles.

Further issues of Shares

The Directors have authority to allot and issue further Shares in the share capital of the Company. Further issues of Shares will only be made if the Directors determine such issues to be in the best interests of Shareholders and the Company as a whole. Relevant factors in making such determination include NAV performance, share price, the sourcing of new investments which meet the Investment Management Team's selection criteria and perceived investor demand. Further issues of Shares will only be made at prices which are not less than the then prevailing NAV per Share of the relevant class.

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment and issue of Shares. The Articles, however, contain pre-emption rights in relation to allotments and issues of Shares for cash. The Firm Placing and the Placing are each conditional on, *inter alia*, approval by existing Shareholders. An extraordinary resolution to disapply shareholder pre-emption rights in connection with the Firm Placing and the Placing will be put to Shareholders at an Extraordinary General Meeting of the Company to be held on 14 December 2016 (or at any adjournment thereof).

The Directors intend to request that a general authority to allot and issue Shares for cash on a non-pre-emptive basis is renewed at each annual general meeting of the Company.

Meetings and reports to Shareholders

The Company holds an annual general meeting each year.

The Company's audited annual report and accounts are prepared to 31 March of each year, and it is expected that copies of the annual report will be sent to Shareholders by 31 July each year, or earlier if possible. Shareholders will also receive an unaudited half-yearly report each year commencing in respect of the six-month period ending on 30 September in each year, expected to be dispatched by 31 December, or earlier if possible.

The Company publishes monthly Net Asset Value figures, which are made available through an RIS provider as soon as practicable after the last Business Day of the immediately preceding calendar month.

The Company's audited annual report and accounts are made available through an RIS provider. The Company is required to send copies of its annual report and accounts to the GFSC as soon as reasonably practicable after their publication. The Company is also required to provide certain statistical information to the GFSC.

The Company's accounts are drawn up in Sterling in compliance with IFRS and the Companies Law.

Taxation

Information concerning the tax status of the Group and the taxation of Shareholders is set out in Part IX "*Tax Considerations*" of this Prospectus. The statements contained in that Part are for information purposes only and are not intended to be exhaustive. If potential investors are in any

doubt about the taxation consequences of acquiring, holding or disposing of Ordinary Shares, they should seek advice from their own independent professional adviser.

Potential conflicts of interest

The Fund Investment Management Team may not devote all of their time to the Group's activities and BACIT UK may not provide services to the Company on an exclusive basis. The Directors and members of the Fund Investment Management Team may from time to time, in their sole discretion, act as officers or directors of, or managers or investment advisers to, other investment funds or in respect of other clients and may hold board positions or have other business relationships with managers or investments with or in which the Group also invests. They may also make investments, either in a personal capacity, or on behalf of other clients, with managers or in investments with or in which the Group also invests. It is therefore possible that Directors and members of the Fund Investment Management Team could, from time to time, have potential conflicts of interest with the Group, in which case they will have regard to their obligations to act in the best interests of the Company and the Group so far as practicable, having regard to their other obligations.

PART III – INVESTMENT MANAGEMENT TEAM

As part of the Proposed Transaction, the Company will reconfigure its investment management arrangements by the recruitment of the Life Science Investment Management Team. These investment management personnel will be employed by SIML, whose chief executive officer will be Martin Murphy, currently the chief executive officer of Syncona.

Subject to receipt of the appropriate regulatory authorisations, SIML will become the AIFM of the Company with investment discretion over the Company's entire investment portfolio including, as described below, the allocation of assets to Life Science Investments and Fund Investments.

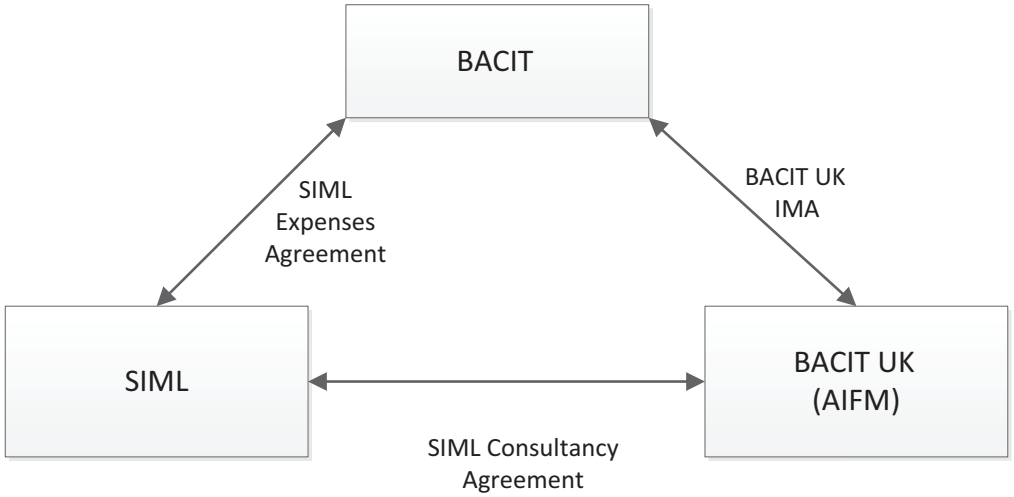
BACIT UK will remain as the Company's AIFM until SIML receives regulatory authorisation. In the meantime, following implementation of the Proposed Transaction, the Company's investment management arrangements will be structured so that BACIT UK has investment discretion over the Company's entire investment portfolio.

SIML will provide services to BACIT UK such that the Life Science Investment Management Team provides assistance to BACIT UK in relation to the Initial Life Science Portfolio and on the making of new Life Science Investments during the period between the closing of the Proposed Transaction and SIML receiving all of the required regulatory approvals to act as the Company's AIFM.

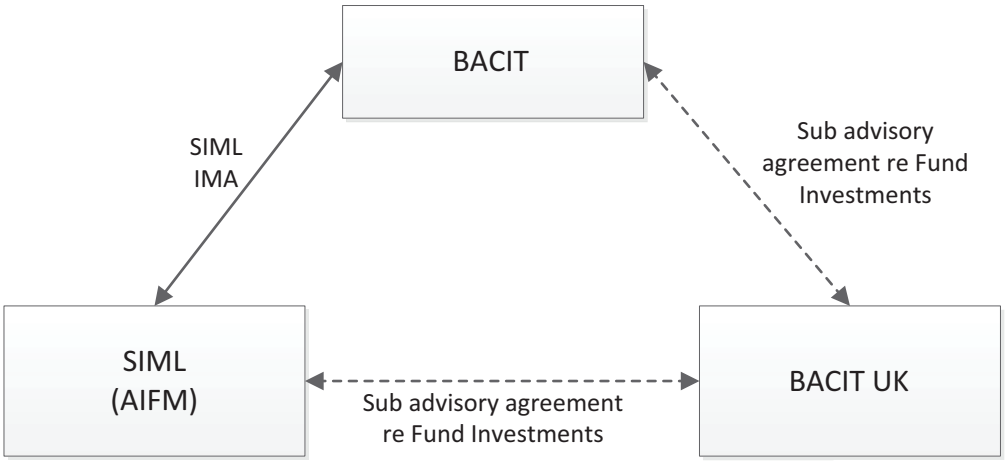
Once SIML is authorised as the Company's alternative investment fund manager, BACIT UK will become a sub-adviser to SIML in respect of the Company's Fund Investment portfolio and keep discretion as to the allocation of that portfolio to specific Fund Investments. BACIT UK will not, however, from that point have any role regarding the Life Science Investment Portfolio nor will it decide what proportion of the Company's assets are allocated to Life Science Investments or Fund Investments.

Diagram showing investment management arrangements

The diagram below depicts the Company's proposed investment management arrangements prior to SIML receiving the relevant regulatory approvals:



The diagram below depicts the Company's proposed investment management arrangements following SIML receiving the relevant regulatory approvals:



Investment Management Team

Fund Investment Management Team

Arabella Cecil

Arabella Cecil started working in financial services in 1987, for Finbancaria (corporate finance, Milan), and later Banque Hottinguer (Paris), and Credit Lyonnais Laing (London) where she was head of food manufacturing research. Between 1998 and 2008 she owned and ran Gravity Pictures, which specialised in filmmaking in the IMAX® format. Most recently she was an investment manager and a member of the investment and risk committees of Culross Global Management. Arabella is Chief Investment Officer of BACIT UK.

Fenella Dernie

Fenella Dernie qualified as a chartered accountant with Spicer and Pegler (a predecessor firm of Deloitte LLP) in 1989, beginning her career in the specialised audit of companies in the financial and securities industries and latterly spending eight years in Deloitte & Touche's corporate finance department, including two years seconded to the listings team of the London Stock Exchange. She is founder of Crosslanes Associates Limited, providing accountancy and administration services to companies of varying sizes. Fenella is Chief Financial Officer of BACIT UK.

Thomas Henderson

Thomas Henderson has over 25 years' experience working in the financial markets, investing in the UK, Continental Europe, Russia and the United States. He is the founder and investment manager of New Generation Haldane Fund Management Limited (previously Eden Capital). Previously, Mr. Henderson was a portfolio manager for Moore Capital and prior to that worked with Cazenove & Co. in London and New York. Tom is Chief Executive Officer of BACIT UK.

John McDonald

John McDonald has 30 years' experience working in the financial markets. He is a director of, and investment consultant for, Alternative Research Limited. Previously, Mr McDonald was head of sales and marketing at Impax Asset Management, head of alternative investment sales at New Star Asset Management, investment director at Eden Capital and co-founder of Fortune Asset Management. John is an investment professional at BACIT UK.

Martin Thomas

Martin Thomas was previously Chairman of Lancashire Holdings Limited and was partner and board member of Altima Partners LLP. Previously, he was an official of the Bank of England, most recently on secondment to the EU Commission where he worked in the Financial Services Policy and Financial Markets Directorate of the Internal Market and Services Directorate General. Before Martin joined the EU Commission he established the Financial Markets Law Committee at the Bank of England. Previously he was Deputy Chief Executive of the Financial Law Panel and, prior to that, senior counsel to the European Central Bank in Frankfurt. Martin started his career in private

practice, specialising in corporate and commercial litigation at Travers Smith and in the law and regulation of financial services at Clifford Chance. Martin is Chairman and Compliance Officer of BACIT UK.

Life Science Investment Management Team

As explained above, the Life Science Investment Management Team will be comprised of investment personnel currently employed by Syncona.

Martin Murphy

Martin is the Chief Executive Officer and co-founder of Syncona Partners LLP. Previously, he was a partner at MVM Life Science Partners LLP, a venture capital company focused on life science and healthcare investments. During his time at MVM, Martin was a member of the Management and Investment Committees and led MVM's European operations. He was involved in a number of investments including PregLem SA (sold to Gedeon Richter), Momenta Pharmaceuticals, Inc, (NASDAQ: MNTA), Healthcare Brands International (sold to Meda AB) and Heptares Therapeutics Ltd (sold to Sosei Group Corporation). Before MVM, Martin had roles with 3i Group plc and McKinsey & Company. Martin has a PhD in Biochemistry from Cambridge University.

Chris Hollowood

Chris Hollowood is a partner of Syncona Partners LLP. Previously, he was a partner of Apposite Capital LLP, a venture and growth capital company focused on the healthcare and life science sector. During his time at Apposite, he was involved in a number of investments, which included Ambit Biosciences (acquired by Daiichi Sankyo), Convergence Pharmaceuticals (acquired by Biogen-Idec), Birdrock (formerly known as Ruiyi) and the acquisition of a portfolio of nine US healthcare companies which included Zonare Medical Systems (acquired by Mindray) and Ulthera (acquired by Merz). Before Apposite, Chris had roles with Bioscience Managers Ltd, Neptune Investment Management Ltd and as a medicinal chemist in the pharmaceutical industry.

Chris holds a degree in Natural Sciences and a PhD in Organic Chemistry, both from Cambridge University.

Iraj Ali

Iraj Ali is a partner of Syncona Partners LLP. Previously, he was an associate-principal at McKinsey & Company where he specialised in product launch. He has been involved in several major pharmaceutical launches across developed and emerging markets and was a co-founder of McKinsey's US launch practice and leader of speciality launch in Europe. Prior to joining McKinsey Iraj held roles in scientific research: EMBO Research Scholar (UCSC), Drug Discovery Scientist (RiboTargets, Cambridge).

Iraj has a PhD in Biochemistry from Cambridge University.

John Bradshaw

John Bradshaw is the Chief Financial Officer of Syncona Partners LLP. Previously he worked extensively with companies in the life sciences sector as a part time and interim CFO. He was previously CFO of Gyrus Group PLC and qualified as a Chartered Accountant with Arthur Andersen.

John has a degree in Law from the University of Liverpool.

The Life Science Investment Management Team includes a total of ten investment professionals and three support staff.

Management remuneration

SIML management fee

From the Implementation Date, for the provision of its services, the Company will pay SIML an annual fee of up to one per cent. per annum of the Company's Net Asset Value (attributable to both Life Science Investments and Fund Investments). The fee will be payable monthly in arrears and each payment shall be calculated using the monthly Net Asset Value as at the relevant month end.

BACIT UK management fee

From the Implementation Date the Company will pay BACIT UK an investment management fee equal to:

- 0.19 per cent. of Net Asset Value per annum for the First Period; and
- 0.15 per cent. of Net Asset Value per annum for the Second Period.

The fee will be payable monthly in arrears and each payment shall be calculated using the monthly Net Asset Value (attributable to both the Life Science Investments and the Fund Investments) as at the previous month end.

Life Science Investment Management Team LTIP

The Company will, conditional upon the implementation of the Proposed Transaction, implement an LTIP structure which will be benchmarked against current market performance standards.

PART IV – INFORMATION ON SYNCONA, SIXTH ELEMENT, WELLCOME TRUST AND CRUK

Syncona

Syncona is an evergreen healthcare investment company that identifies and takes an active role in developing technologies to deliver transformative healthcare products.

Syncona was founded in 2012 by Wellcome Trust, a global charitable foundation, to invest in innovative life sciences companies to help remedy the lack of funding available to this sector of the market in Europe. Syncona has access to a deep network of academics and technology transfer relationships.

Syncona focuses on technologies with the potential to significantly impact patients and the delivery of healthcare in the future and its investments to date include companies focused on gene therapy, cell therapy and patient stratification technologies.

Syncona deploys a longer term business model to allow the support of European life science concepts from an initial discovery stage to end market and commercialisation. Syncona believes that this approach is unique as companies in which Syncona invests will have access to funding throughout their development cycle without having to resort to external (and dilutive) financing.

Syncona's investment management team's aim is to build standalone companies based in the UK and Europe which will, in future, have a market capitalisation which exceeds £1 billion. To achieve this, Syncona adopts a pro-active investment selection policy, targeting technologies which, when developed, will support the creation of standalone companies. Syncona takes an active management approach, working closely with scientific entrepreneurs to develop concepts into marketed products and believes that this longer term investment model should yield strong returns.

Wellcome Trust

Wellcome Trust exists to improve health for everyone by helping great ideas to thrive and is a global charitable foundation which is both politically and financially independent. Wellcome Trust supports scientists and researchers, takes on big problems, fuels imaginations, and sparks debate. Wellcome Trust's funding supports over 14,000 people in more than 70 countries. In the next five years, Wellcome Trust aims to spend up to £5 billion helping thousands of curious, passionate people all over the world explore ideas in science, population health, medical innovation, the humanities and social sciences and public engagement. Wellcome Trust has an £18.3 billion investment portfolio, which funds all the work it does. This allows Wellcome Trust to plan for the long-term, while having the independence to act flexibly and responsively.

Sixth Element

The Pioneer Fund delegates its investment management function to Sixth Element. Sixth Element, as the investment manager of the Pioneer Fund, has first right of investment in CRUK funded drug discovery projects.

CRUK

CRUK is the world's leading cancer charity dedicated to saving lives through research and whose vision is to bring forward the day when all cancers are cured. In 2015, CRUK committed a total of £404 million to cancer research projects and is the world's largest independent supporter of cancer research.

PART V – FUND INVESTMENT PORTFOLIO

Certain information contained in this Part V has been obtained from third party sources which, in certain cases, has not been updated to the date of this Prospectus. Such information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published or provided to the Company by each relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Investment Strategy and Process

BACIT UK targets asymmetric returns in rising and falling markets. Its intent is to construct a Fund Investment portfolio which delivers at least 70 per cent. of the upside return, and captures no more than 40 per cent. of the downside return generated by the FTSE All Share Index.

BACIT UK's investment selection process focuses on managers whom the Fund Investment Management Team believes have a superior track record using considered leverage, appropriate liquidity and measured concentration.

The Fund Investment Management Team sources investment opportunities through its network of market contacts, including other investment managers as well as investment banks and prime brokers. Research undertaken by the Fund Investment Management Team may be augmented with the use of third-party vendor data to filter funds in asset classes and strategies in which the Group intends to invest. The Fund Investment Management Team tends to focus on funds which offer medium to long-term returns. Managers are selected by reference to certain criteria including the Fund Investment Management Team's assessment of their proven ability to run investment management businesses in varied market conditions, as well as integrity, commitment, aligned management and a determined ''hands-on'' management style.

The Fund Investment Management Team reviews track records and these are considered together with the Fund Investment Management Team's desired mix of strategies and styles to construct a Fund Investment portfolio which is robust and complies with the Company's Investment Policy.

Further analysis is undertaken to review the concentration of the Company's invested capital by reference to asset class, strategy, geography, underlying investment manager and fund diversification. The Fund Investment portfolio is reviewed on an on-going basis in the context of the Group's Investment Objective of seeking medium to long-term returns for shareholders. When constructing the Fund Investment portfolio, the Fund Investment Management Team emphasises risk management when investing in volatile and less liquid asset classes. The Group does not commit to carrying out detailed operational due diligence in connection with its Fund Investments or potential Fund Investments.

Changes are made to the Fund Investment portfolio from time to time and new Fund Investments will be made in accordance with the Investment Policy. The Fund Investment Management Team monitors the Fund Investments directly and also through the Backstop portal maintained by Mainspring.

The Fund Investment Management Team seeks to construct a Fund Investment portfolio which is appropriately diversified over different geographies, asset classes and investment strategies to optimise risk-adjusted returns for present market conditions. The exact composition of the fully invested Fund Investment portfolio and the identity of specific Fund Investments also depends on perceived risks, asset valuations and the relative attractiveness of those opportunities which have been assessed by the Fund Investment Management Team.

The Investment Portfolio

The Company has shown strong performance since listing on 26 October 2012. From launch to 31 October 2016, being the latest practical date before publication of the Prospectus, the Company's unaudited NAV total return was 39.58 per cent. During the Company's first forty-eight months from inception, the Company captured 92 per cent. of the return of the FTSE All Share Index, with annualised volatility of 5.7 per cent. versus the volatility shown by the FTSE All Share Index of 10 per cent.

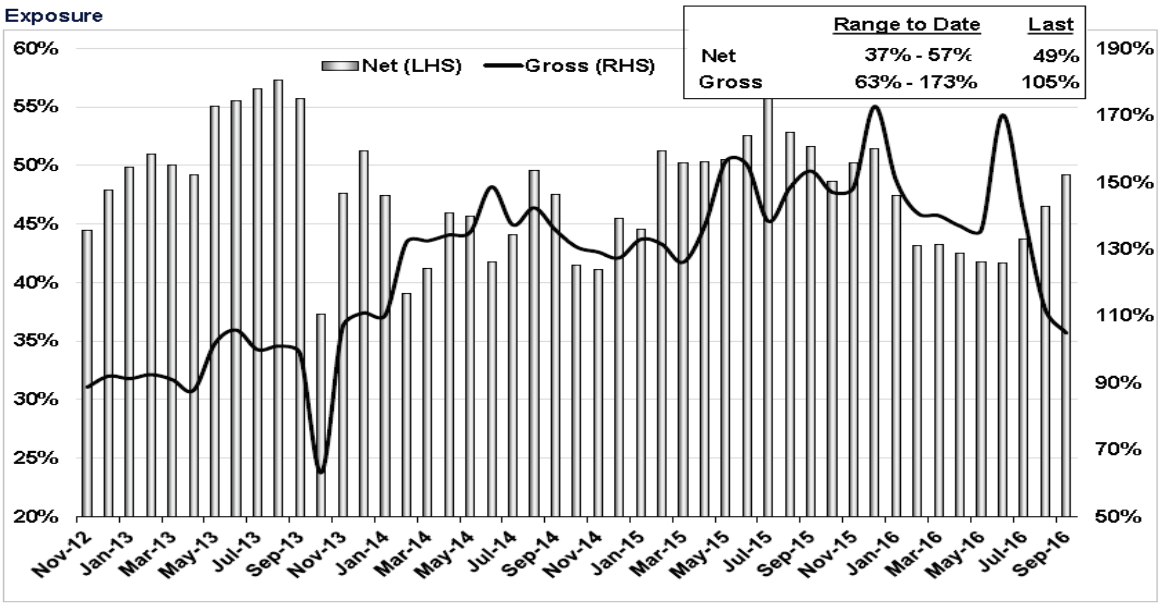
Please see Part II of this document under the ''*Past Performance*'' section for a table setting out the increase in the Company's unaudited NAV.

The following information is extracted from the Company's interim results for the six month period to 30 September 2016.

The Company started the last financial period on 1 April 2016 with 97.5 per cent. of its Net Asset Value invested and ended the period on 30 September 2016 with 99.3 per cent. of its Net Asset Value invested across 32 Fund Investments. As at 30 September 2016, the Company's undrawn commitments to its various Fund Investments is equal to 9.2 per cent. of NAV. These undrawn commitments relate to the Company's investment in the CRT Pioneer Fund (held through BACIT Discover Limited), Chenavari European Deleveraging Opportunities, InfraCapital II and Permira V.

The Company's continues to be exposed, through its Fund Investments, to areas as diverse as long-short commodities, interest rates, foreign exchange, private equity and infrastructure investing.

Since inception the Company has endeavoured to use modest leverage to achieve its aims and ended the most recent financial period with its gross exposure in net equity equivalents estimated at 105 per cent. and its net exposure estimated at 49 per cent., in the middle of each respective range since launch (63-173 per cent. and 37-57 per cent.), as shown in the graph below.



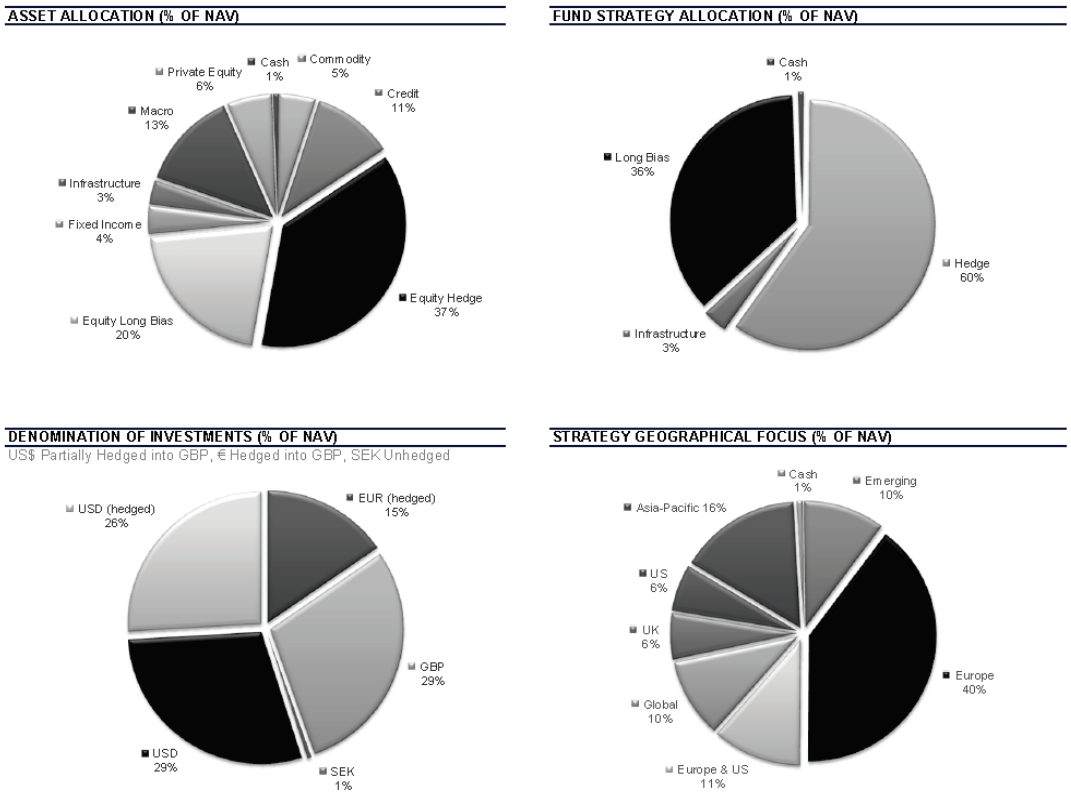
Source: Backstop

The increase in the Company's net exposure during the most recent financial period has occurred, almost entirely, as a result of underlying managers of its Fund Investments changing their portfolio holdings rather than as a result of any changes to the Fund Investment Portfolio by BACIT UK.

As stated above, the Company's first forty-seven months, the Fund Investment portfolio captured 92 per cent. of the return of the FTSE All Share Index, with a volatility of 5.7 per cent. versus market volatility of 10 per cent. This performance is due to the Fund Investment portfolio containing assets whose prices do not typically move in lockstep with listed equities, either in bull markets or in market crises. These include assets held short as well as long, assets held through derivatives and other asset classes, both listed and private.

Further, the listed equity markets are dominated by traditional industries which are losing market share to a new generation of digitally-based technologies. The unlisted assets in the Fund Investment portfolio broaden its sectoral exposure into these growth industries and into infrastructure.

At 30 September 2016, 60 per cent. of the Fund Investment portfolio was invested in hedge fund assets and 10 per cent. in unlisted assets. The full breakdown of the Fund Investment portfolio as at 30 September 2016 is shown in the pie charts below:



Source: BACIT monthly factsheet 30 September 2016

Finally, and importantly, BACIT UK uses US Dollar exposure to reduce the level of volatility in the Fund Investment portfolio. As the world's reserve currency the Fund Investment Management Team has observed that the US Dollar tends to be inversely correlated to risk assets in times of stress. At 30 September 2016 approximately 33 per cent. of the Fund Investment portfolio was held in unhedged US Dollar denominated share classes and in the US Treasury Inflation Protected portfolio which is Sterling denominated, but the underlying is unhedged.

Categorisation of the Fund Investment Portfolio

As at the date of this Prospectus, the Company's Fund Investment portfolio can be categorised as follows:

Equity Funds (accounting for 22.6 per cent. of the Limited Partnership's NAV as at 30 September 2016)

The five Fund Investments in this group returned 12.3 per cent. during the six months to 30 September 2016, with equities recovering as a result of a 16 per cent. rise in the oil price which drove Russian equities higher and the devaluation of Sterling against all major currencies which boosted UK equities. Both Japanese managers outperformed their indices, one significantly.

Equity Hedge Funds (accounting for 35.3 per cent. of the Limited Partnership's NAV as at 30 September 2016)

The eleven Fund Investments in this group expose the Company to Europe, sub-Saharan Africa and the broader emerging markets, as well as to gold miners. Their NAVs collectively rose 9.9 per cent. in the six months to 30 September 2016, taking the 12 month contribution to 13.2 per cent. Africa and emerging markets remained challenging, as did some European elements, but these were more than offset by contributions from elsewhere in Europe and the gold miners, the latter being noteworthy for the lack of volatility of returns.

Commodity Funds (accounting for 4.9 per cent. of the Limited Partnership's NAV as at 30 September 2016)

These underlying managers expose the Company to globally traded agricultural commodities; European and North American power, natural gas, coal and oil; and Australasian power. The asset prices in this subset are volatile and these Fund Investments' risk management is of critical importance. The underlying managers' performances are uncorrelated to one another and to the wider market. The six months to 30 September 2016 was a difficult period for the Fund Investments which gave up much of the gains of the last 12 months.

Fixed Income and Credit Funds (accounting for 14.4 per cent. of the Limited Partnership's NAV as at 30 September 2016)

The seven Fund Investments in this group had diverging experiences in the six months to 30 September 2016. The US Treasury index-linkers benefited from rising inflation expectations, European small and mid-cap credit performed solidly, as the underlying manager who pursues a convertible arbitrage strategy. The credit positions relating to property, both securitised and private, had a tougher time, though the former recovered strongly in the second half of the financial period and the latter position is almost fully harvested.

Global Macro Funds (accounting for 12.4 per cent. of the Limited Partnership's NAV as at 30 September 2016)

This group includes three Fund Investments which pursue global macro opportunities, and whose trademarks include profiting from 'bursting bubbles'. Opportunities being exploited include the quantitative easing bubble through airline over-extension, China slowdown recommencing, and central banks' growing credibility challenge. One Fund Investment made a small profit and two Fund Investments made a small loss during the six months to 30 September 2016.

Other Strategies (accounting for 9.2 per cent. of the Limited Partnership's NAV as at 30 September 2016)

This group includes commitments to four longer-life opportunities. Amongst these is the Company's commitment to the Pioneer Fund, the vehicle, through which the Company is invested in early drug discovery and medical technologies, with a pipeline agreement with CRUK. Although it has only drawn down 29 per cent. of its total commitments, the Pioneer Fund has now made nine investments. As the Pioneer Fund announced during the six months to 30 September 2016, it has commenced clinical trials with one drug over which a biotechnology company based in North America has exercised an option.

Top Ten Fund Investments

As at 31 October 2016, being the latest practical date prior to the publication of this Prospectus, the Company's top ten Fund Investments were as follows:

Fund	Investment Manager	Strategy	Asset class	Percentage of NAV
Polygon European Equity Opportunity	Polygon Global Partners	Hedge	Equities	6.4
Polar Capital Japan Alpha	Polar Capital	Long bias	Equities	6.4
Majedie UK Equity	Majedie Asset Management	Long bias	Equities	6.0
Sinfonietta	Symphony Financial Partners	Hedge	Macro	5.4
Tower Master Fund	Ten Five Capital Management	Hedge	Equities	5.2
Parity Value	Parity Asset Management Limited	Hedge	Macro	5.1
The SFP Value Realization Fund	Symphony Financial Partners	Longbias	Equities	4.9
Maga Smaller Companies UCITS	Otus Capital Management	Hedge	Equities	4.9
SW Mitchell European	SW Mitchell Capital	Hedge	Equities	4.7
Polygon Mining	Polygon Global Partners	Hedge	Equities	4.4

As at the date of this Prospectus, the Company's top ten Fund Investments account for 53.5 per cent. of its NAV.

Future Fund Investments and Portfolio

The Group's Fund Investment portfolio will change over time as the Company realises existing Fund Investments, responds to new opportunities as they arise and accommodates the cashflows required by, and generated by, the Life Science Investment portfolio. The Group may make Investments in short term deposits and Investments that are readily realisable.

The Group's Fund Investment portfolio will also continue to change in response to perceived external risks and opportunities. The composition of the Fund Investment portfolio may change as a result of the sale of Fund or Life Science Investments, and the resulting recalibration of the Company's overall investment portfolio.

The Group's current Fund Investments are all invested on a "gross return" basis and it is expected that where these Fund Investments are retained this will continue to be the case. The Group will continue to seek to make Fund Investments on a "gross return" basis where possible, and the Fund Investment Management Team intends to use certain of the net Issue proceeds in part to increase its exposure to some existing managers and to introduce some new managers to the Fund Investment portfolio. The intention will be for these new investments to compliment and extend the existing portfolio and its performance to date, in pursuit of asymmetric returns.

PART VI – INITIAL LIFE SCIENCE INVESTMENT PORTFOLIO

Certain information contained in this Part VI has been obtained from third party sources which, in certain cases, has not been updated to the date of this Prospectus. Such information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published or provided to the Company by each relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Initial Life Science Portfolio

Assets held by Syncona

Syncona currently holds seven Life Science Investments to be acquired by the Company:

- **Achilles Therapeutics Limited** ("**Achilles**") – Achilles is a joint venture company involving a number of investors. Syncona has, to date, invested £2.8 million of capital and has committed to fund Achilles with a further £9 million of capital in the future. In addition to the commitment that Syncona and the Pioneer Fund have already made, Syncona estimate that, in addition to the capital that has already been invested, a further £100 million of funding will be required in the future. On a fully-diluted basis Syncona owns a 66 per cent. stake in the capital of Achilles. The Pioneer Fund also invests in Achilles and has committed £1 million of capital in return for a 6 per cent. stake in the capital of Achilles on a fully-diluted basis. Achilles'' primary product is an immunotherapy for the treatment of late stage solid-tumour disease (which accounts for around 80% of all cancer disease). Syncona estimates that this immunotherapy developed by Achilles has an addressable market of more than £8 billion per annum in size. Syncona believes that, if successful, Achilles could reach a valuation in excess of £1 billion[5].
- **Autolus Limited** ("**Autolus**") – Autolus was formed in 2014 as a spin-out from University College London, based on the pioneering work of Dr Martin Pule. Syncona has, to date, invested £20 million of capital and has committed to fund Autolus with a further £10 million of capital in the future. In February 2016, Autolus raised a further £40 million of funding by way of a "series B" financing which was raised from external investors. Syncona estimates that, in addition to the £30 million that has already been invested and committed, a further £100 million of funding will be required in the future. When all tranches of the "series B" financing have been invested, Syncona will hold a 37 per cent. stake in the capital of Autolus on a fully-diluted basis. Autolus aspires to be a multi-billion pound company serving a range of blood cancers which Syncona estimates have a combined addressable market size of more than £5 billion per annum. The technology being developed by Autolus is a cell-based immunotherapy that involves re-engineering a patient's immune cells (T-cells) to target and destroy cancerous cells and provide long-term protection from disease. Syncona believes that, if successful, Autolus could reach a valuation in excess of £1 billion[5].
- **Blue Earth Diagnostics Limited** ("**Blue Earth**") – Blue Earth was formed in 2014 as a spin out company from GE Healthcare, as part of a restructuring of GE Healthcare's imaging business. To date, Syncona has invested £23.3 million of capital and has committed to fund Blue Earth with a further £6 million of capital in the future. Syncona holds a 90 per cent. stake in the capital of Blue Earth on a fully-diluted basis. Blue Earth aims to become a world leading imaging company, capturing a leading share of the prostate cancer imaging market with its FDA approved product, Axumin. Syncona estimates that Blue Earth could service an addressable market of more than £750 million per annum. Syncona believes that, if successful, Blue Earth could reach a valuation in excess of £500 million[5].
- **Freeline Therapeutics Limited** ("**Freeline**") – Freeline was formed in 2015 as a result of the seminal gene therapy work of Professor Amit Nathwani from the Royal Free Hospital in London. Syncona has invested £11 million of capital to date and has committed to funding Freeline with a further £22.5 million in the future. Syncona estimates that, in addition to the capital that has already been committed, a further £100 million of funding will be required in the future. Following the investment of all tranches of Freeline's current financing, Syncona will hold a 75 per cent. stake in the capital of Freeline on a fully-diluted basis. Freeline develops treatments for blood disorders (such as Haemophilia) and other similar similarly debilitating conditions. This technology has already shown proof of concept in an academic clinical study and Freeline is now accelerating the development of the product by way of further clinical trials with the aim of obtaining market regulatory approval. Syncona estimates that the technologies

developed by Freeline could service a total addressable market of more than £10 billion per annum. Syncona believes that, if successful, Freeline could reach a valuation in excess of £500 million[5].

- **Gyroscope Therapeutics Limited** ("**Gyroscope**") – Gyroscope was formed in May 2016, as a result of a combination of expertise from four academic founders. Syncona has invested £5 million of capital to date and has committed to fund Gyroscope with a further £10 million in future. Syncona estimates that, in addition to the £15 million that it has already committed, a further £70 million of funding will be required in the future. Syncona has a 78 per cent. stake in the capital of Gyroscope on a fully-diluted basis. Gyroscope is developing a gene therapy product for a disease which causes permanent loss of eyesight and which has a large unmet clinical need. Syncona estimates that the total addressable market size for this gene therapy exceeds £15 billion per annum. Syncona believes that, if successful, Gyroscope could reach a valuation in excess of £1 billion[5].

- **NightstaRx Limited** ("**Nightstar**") – Nightstar was formed out of the work of Professor Robert MacLaren in the field of inherited retinal disease and gene therapy. Syncona made an initial commitment to Nightstar of £17 million in a "series A" financing round. Nightstar subsequently raised a further £22 million in a "series B" financing round in January 2016. Syncona's total commitment (both invested and committed) to Nightstar currently equals £22.4 million. Syncona anticipates that, in addition to the capital that has already been committed, a further £40 million of funding will be required in the future. Following the investment of all tranches of financing, Syncona has a stake of 55 per cent. of the capital of Nightstar on a fully-diluted basis. The underlying technology being developed by Nightstar is a one-off injection of a gene therapy product with the aim of halting the progression of a rare disease, Choroideremia, which causes permanent loss of eyesight. This product is in multiple clinical trials and is being developed for regulatory approval and future product launch. Nightstar and Syncona believe that the technology has expansion potential into a range of genetic blindness disorders and Nightstar is currently pursuing products which Syncona believes could service a total addressable market of more than £8 billion per annum. Syncona believes that, if successful, Nightstar could reach a valuation in excess of £1 billion[5].

- **Cambridge Epigenetics Limited** ("**CEGX**") – CEGX was Syncona's first investment, made in 2012, and was formed out of the work of Professor Shankar Balasubramanian, the co-inventor of the market leading sequencing platform now commercialised by Illumina Inc. Syncona has, to date, invested £2.4 million of capital in syndication with a number of top-tier US venture funds. CEGX recently raised $21 million a "series B" financing round which closed in March 2016. Syncona anticipates that, in addition to the capital that has already been committed, a further £10 million of funding will be required in the future. Syncona holds 12 per cent. of the capital of CEGX on a fully-diluted basis. CEGX is developing research tools which provide detailed resolution of epigenetic changes to DNA, a key piece of information which has clear research utility and clinical potential as a diagnostic tool for diseases such as cancer. Syncona estimates that the technology being developed by CEGX could service a total addressable market of more than £100 million per annum. Syncona believes that, if successful, CEGX could reach a valuation in excess of £50 million[5].

Syncona disposed of its investment in 14M Genomics Limited, a clinical genomics company, to Kymab Limited in June 2016. Under the terms of the disposal, Syncona will receive an amount of deferred consideration of up to £500,000 in the period to June 2018. The amount of this deferred consideration has been taken into account in the determination of the valuation of the Initial Life Science Portfolio.

Assets held by the Pioneer Fund

The Pioneer Fund, of which the Company will, following the Implementation Date, hold, in aggregate, 64.11 per cent. of the limited partnership interests, currently holds nine underlying Life Science Investments.

Three of the underlying Life Science Investments are investments in private limited companies:

- **Macrophage Pharma Limited ("Macrophage")** – a company focused on targeted cancer therapy, is a subsidiary of the Pioneer Fund, formed to develop and commercialise intellectual property licensed from Chroma Therapeutics Limited in two transactions in May 2013 and November

2014 respectively. As at 30 September 2016, the Pioneer Fund has invested £2.2 million in Macrophage and the Pioneer Fund is reserving at least another £4.3 million to invest in future funding rounds.

- **Artios Pharma Limited ("Artios")** – in September 2016, the Pioneer Fund participated in the first investment round of Artios Limited, a DNA repair company spun out of Cancer Research Technology, a wholly owned subsidiary of CRUK, as a result of which the Pioneer Fund holds a minority stake.

The Pioneer Fund also holds a minority stake in Achilles. Further details on Achilles are set out above under "Assets held by Syncona".

The Pioneer Fund holds the intellectual property rights to six single asset projects (the "**Sixth Element Small Molecule Portfolio**") which are at various stages of clinical trial and development:

- **HSF1** – the Pioneer Fund has licensed from Cancer Research Technology and the ICR worldwide rights to a family of HSF1 inhibitors discovered at the Cancer Therapeutics Unit of the ICR. This investment is enabling research to develop new drugs called Heat Shock Factor 1 pathway inhibitors which have the potential to block a protective mechanism used by cancer cells. The investment provides further resources to support CRUK funded scientists at the ICR to accelerate the design of the drugs. Further investment from the Pioneer Fund or another party will be required to take this project into preclinical and clinical development.
- **MPS1** – the Pioneer Fund has licensed from Cancer Research Technology and the ICR worldwide rights to a family of MPS1 inhibitors discovered at the Cancer Therapeutics Unit of the ICR. This investment is enabling research to develop new drugs called MPS1 inhibitors. The investment provides further resources to support CRUK funded scientists at the ICR to accelerate the development of the drugs. Further investment from the Pioneer Fund or another party will be needed to take this project into preclinical and clinical development.
- **CHK1** – the Pioneer Fund has licensed from Cancer Research Technology and the ICR worldwide rights to a family of CHK1 inhibitors discovered at the Cancer Therapeutics Unit of the ICR. The project was partnered with ProNAi Therapeutics, inc. in September 2016. Under the terms of the agreement, ProNAi Therapeutics paid an upfront payment of $7 million. Additional payments in the aggregate amount of up to $321.5 million will become payable upon achievement of certain development, regulatory and commercial milestones. ProNAi Therapeutics will also pay high single to low double digit royalties on net sales.
- **RET inhibitors** – this investment is a collaboration with the CRUK Manchester Institute Drug Discovery Unit, at The University of Manchester, to develop a promising class of drugs called RET inhibitors to treat cancer. It will build on research by scientists at CRUK Manchester Institute, enabling them to accelerate the development of RET inhibitors. Further investment from the Pioneer Fund or another party will be needed to take this project into preclinical and clinical development.
- **Tefinostat** – this investment was acquired by the Pioneer Fund through its licence arrangements with Chroma Therapeutics (see above for further details). Tefinostat is a targeted HDAC inhibitor which is about to commence Phase 2 studies in Chronic Myelomonocytic Leukaemia.
- **BCL6** – the Pioneer Fund has licensed from Cancer Research Technology and the ICR worldwide rights to a family of BCL6 inhibitors discovered at the Cancer Therapeutics Unit of the ICR. This investment is enabling research to develop new drugs called BCL6 inhibitors which are designed to inhibit protein – protein interaction which may ultimately inhibit target gene expression. The investment provides further resources to support CRUK funded scientists at the ICR to accelerate the discovery and development of the drugs. Further investment from the Pioneer Fund or another party will be needed to take this project into preclinical and clinical development.

As at 30 September 2016, the Pioneer Fund has committed a total of £18.6 million to the Sixth Element Small Molecule Portfolio.[5].

The Company believes that the acquisition of the Initial Life Science Portfolio will give the Company the required platform to expand its size and investment scope to become a leading investor in medical

[5] This is an estimate only and not a profit forecast. There can be no assurance that this estimate will be met and it should not be taken as an indication of the Company's expected or actual future results. Potential investors should decide for themselves whether or not this estimation is reasonable or achievable in deciding whether to invest in the Company.

sciences while supporting and maintaining the Company's existing objectives and charitable contributions.

Further details on Initial Life Science Investment Portfolio

Assets held by Syncona

Company	Cost (£m)	Valuation (£m)	Basis[6]	Multiple	Portfolio	Founded
Blue Earth	23.3	76.2[7]	DCF	3.3x	Syncona	2014
CEGX	2.4	5.2	PRI	2.1x	Syncona	2013
Nightstar	17.0	34.2	PRI	2.0x	Syncona	2014
Freeline	11.0	11.0	Cost	1.0x	Syncona	2015
Gyroscope	5.0	5.0	Cost	1.0x	Syncona	2016
Autolus	20.0	31.2	PRI	1.6x	Syncona	2015
Achilles	2.8	2.8	Cost	1.0x	Syncona and Pioneer Fund	2016
Cash and other net assets	11.3	11.3	Cost	1.0x		
Total	**92.8**	**176.9**		**2.0x**		

[6] Based on the internal reporting of Syncona as at 30 September 2016.

[7] The valuation in respect of Blue Earth (which is correct as at 30 September 2016) is based on a DCF analysis which assumes that the Axumin product is sold for $2500 per dose. To date, the Axumin product is being sold for $3950 per dose.

PART VII – DETAILS OF THE OPEN OFFER AND PLACING

1. Introduction

The Company intends to raise up to £159.9 million (before fees and expenses) through a Placing and Open Offer of up to 121,938,563 New Ordinary Shares. The number of New Ordinary Shares issued by the Company under the Placing and Open Offer will be reduced by the number of Sale Shares that Selling Shareholders elect to sell under the Liquidity Facility. The Offer Price of 131.15 pence per New Ordinary Share represents a premium of approximately 0.11 per cent. to the middle market closing price for an existing Ordinary Share of 131.00 pence on 25 November 2016 and a 1.35 per cent. premium to the NAV per share as at 31 October 2016. Qualifying Shareholders may subscribe for 6 Open Offer Shares for every 19 Ordinary Shares held at the Record Date. The Ordinary Shares have no par value.

The Excess Application Facility is an opportunity for Qualifying Shareholders who have applied for their Open Offer Entitlements in full to apply for additional Ordinary Shares. The Excess Application Facility will comprise Open Offer Shares that are not taken up by Excluded Shareholders and Qualifying Shareholders under the Open Offer pursuant to their Open Offer Entitlements ("**Excess Shares**").

The International Securities Identification Number ("**ISIN**") for the Ordinary Shares is GG00B8P59C08 and the Company's ticker symbol is BACT.

As part of the implementation of the Proposed Transaction, the Company is intending to change its name to Syncona Limited and will change its ticker symbol to SYNC shortly after the Implementation Date.

2. The Open Offer

Qualifying Shareholders are being offered the opportunity to subscribe for Open Offer Shares at a price of 131.15 pence per Open Offer Share (payable in full in cash on application and free of all expenses) on the following basis:

6 Open Offer Shares for every 19 Ordinary Shares

held and registered in their name as at the close of business on the Record Date, and so on in proportion for any greater or lesser number of Ordinary Shares then held. To the extent that the amount payable by a Qualifying Shareholder in respect of their Open Offer Shares (being the product of the number of Open Offer Shares being applied for and the Offer Price) would result in a fractional amount of pence being payable the amount should be rounded to the nearest whole pence. To the extent if Qualifying Shareholders do not subscribe for the Open Offer Shares under the Open Offer, such shares may be subscribed for by the Placees (which, for the avoidance of doubt, shall not include subscriptions from the Firm Placees) and/or the Sponsor pursuant to the Placing Agreement. Applications under the Open Offer will be on the terms and subject to the conditions set out in this Part VII and the Application Form. Entitlements will be rounded down to the nearest whole number. Any fractional entitlements will be disregarded in calculating Qualifying Shareholders' *pro rata* entitlements and will be aggregated and form part of the Ordinary Shares which are the subject of the Placing.

The New Ordinary Shares will be issued fully paid and will rank *pari passu* with the existing Ordinary Shares in issue. Sale Shares which are offered for sale by Selling Shareholders will be used to fulfil subscriptions under the Open Offer in preference to the issue of New Ordinary Shares by the Company.

Not all Shareholders may be entitled to participate in the Open Offer. Shareholders who are US Persons or are located or resident in, or who have a registered address in, an Excluded Territory will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 5 of this Part VII.

An Application Form for Non-CREST Shareholders to participate in the Open Offer has been included with this document other than where it is being sent to a US Person or an Excluded Territory.

The terms of the Open Offer, notwithstanding the Excess Application Facility, provide that a Qualifying Shareholder may make a valid application for any number of Open Offer Shares up to and including his or her *pro rata* entitlement which, in the case of Non-CREST Shareholders, is equal to the number of Open Offer Shares shown on the Application Form or, in the case of CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock

account in CREST. Excluding the operation of the Excess Application Facility, no application in excess of a Qualifying Shareholder's *pro rata* entitlement will be met under the Open Offer and any Qualifying Shareholder so applying will be deemed to have applied for the maximum entitlement as specified on the Application Form, in the case of Non-CREST Shareholders, or standing to the credit of their stock account in CREST in relation to CREST Shareholders or as otherwise notified to him or her (and any monies received in excess of the amount due will be returned to the Qualifying Shareholder, without interest, at the Qualifying Shareholder's risk).

Holdings of Ordinary Shares held in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

The Open Offer is not a "rights issue". Invitations to apply under the Open Offer are not transferable unless to satisfy bona fide market claims raised by Euroclear's Claims Processing Unit and qualifying Non-CREST Shareholders should also note that the Application Form is not a document of title and cannot be traded. Shareholders should be aware that, in the Open Offer, unlike in the case of a rights issue, any Open Offer Shares not applied for under the Open Offer will not be sold in the market or placed for the benefit of Shareholders, but will be placed with the Placees (to the extent procured), with the proceeds retained for the benefit of the Company.

If Qualifying Shareholders do not respond to the Open Offer by 11 am on 14 December 2016, the latest date for application and payment in full in respect of their entitlements, their proportionate ownership and voting interest in the Ordinary Shares will be reduced and the percentage that their existing Ordinary Shares represent of the issued share capital of the Company will be reduced accordingly. Excluded Shareholders will, in any event, not be able to participate in the Open Offer.

Notwithstanding any participation in the Open Offer, Shareholders will have their proportionate ownership and voting interest in the Ordinary Shares reduced as a result of the implementation of the Firm Placing and as a result of the increased size of the Company's issued share capital.

The Issue (and therefore the Proposed Transaction) is conditional on:

(a) the passing of the Implementation Resolutions and the Discontinuation Vote not having passed;

(b) the Placing Agreement becoming unconditional in all respects, save for Admission, by no later than 11 am on 14 December 2016 (or such later date, as the Sponsor may agree) and not having been terminated or rescinded in accordance with its terms;

(c) the Company receiving orders for a number of Ordinary Shares under the Issue which is equal to or exceeds the number of Sale Shares that Shareholders have elected to sell; and

(d) Admission taking place by no later than 8am on 19 December 2016 (or such later time and/or date as the Sponsor may agree).

All of the Implementation Resolutions must be passed for the Issue to go ahead.

Accordingly, if any of these conditions are not satisfied (or, if capable of waiver, waived on or before the relevant time and date), the Issue will not proceed and any applications made by Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

The Sponsor is entitled to terminate the Placing Agreement if any of the conditions contained therein (details of which may be found in paragraph 6.1 of Part XI "*Additional Information*" in this Prospectus) are not satisfied (or, if capable of waiver, waived) on or before the relevant time and date. If the Placing Agreement is terminated, the Issue will be terminated.

None of these conditions shall be operative after Admission.

Any Qualifying Shareholder who sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to the close of business on 24 November 2016 is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to subscribe for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by purchasers under the rules of the London Stock Exchange.

The latest time and date for acceptance and payment in full under the Open Offer will be 11am on 14 December 2016. If for any reason it becomes necessary to adjust the expected timetable as set out in this Prospectus, the Company will make an appropriate announcement to a RIS giving details of the revised date.

Excess Application Facility under the Open Offer

The Excess Application Facility is an opportunity for Qualifying Shareholders who have applied for their Open Offer Entitlements in full to apply for additional Ordinary Shares. The Excess Application Facility will comprise the Excess Shares.

In the event that total subscriptions under the Issue exceed the maximum number of Ordinary Shares available, the Company (in consultation with the Sponsor) will determine how the excess is allocated as between the Excess Application Facility and the Placing and how applications under the Excess Application Facility are scaled back. The Sponsor (in consultation with the Company, where practicable) will have discretion as to allocation among Placees of the Excess Shares allocated to the Placing.

Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete the relevant sections on the Open Offer Application Form. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST.

3. Procedure for application and payment

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you have an Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements credited to your CREST stock account in respect of such entitlement. CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and/or in respect of the Excess Application Facility in CREST should refer to the CREST Manual for further information on CREST procedures referred to below.

Qualifying Shareholders who hold their existing Ordinary Shares in certificated form will be allotted and issued Ordinary Shares in certificated form. Qualifying Shareholders who hold part of their existing Ordinary Shares in uncertificated form will be allotted and issued Ordinary Shares in uncertificated form to the extent of their entitlement to Ordinary Shares arises as a result of holding existing Ordinary Shares in uncertificated form.

3.1 If you have an Application Form in respect of your entitlement under the Open Offer

The Application Form has been sent only to Non-CREST Shareholders. It will not be sent to Shareholders with registered addresses in the Excluded Territories and is not intended to be available to Shareholders who are US Persons and brokers/dealers and other parties may not forward this document or any Application Form to, or submit Application Forms on behalf of, Shareholders who are US Persons or with registered addresses in any of the Excluded Territories.

Applications by Non-CREST Shareholders for Open Offer Shares may only be made on the Application Form. Each Application Form is personal to the Non-CREST Shareholder(s) named on it and is not capable of being split, assigned or transferred except in the circumstances described below. The Application Form represents a right personal to the Non-CREST Shareholder to apply to subscribe for Open Offer Shares; it is not a document of title and it cannot be traded. It is assignable or transferable only to satisfy *bona fide* market claims in relation to purchases in the market pursuant to the rules and regulations of the London Stock Exchange. Application Forms may be split up to 11am on 12 December 2016 but only to satisfy such *bona fide* market claims. Non-CREST Shareholders who sold or transferred all or part of their shareholdings before the close of business on 24 November 2016 are advised to consult their stockbroker, bank or agent through which the sale or transfer was effected or another professional adviser authorised under FSMA as soon as possible, since the invitation to apply for Open Offer Shares may represent a benefit which can be claimed by the purchaser(s) or transferee(s) under the rules and regulations of the London Stock Exchange.

Each Application Form shows the maximum number of Open Offer Shares for which the Non-CREST Shareholder is entitled to apply under the Open Offer according to the number of Ordinary Shares held and registered in the name of that Non-CREST Shareholder at the Record Date. Non-CREST Shareholders may apply for fewer Open Offer Shares than their entitlement should they so wish. The instructions and other terms which are set out in the Application Form constitute part of the terms of the Open Offer.

Non-CREST Shareholders should note that applications, once made, will be irrevocable and will not be acknowledged. The Company reserves the right (but shall not be obliged) to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. Any Non-CREST Shareholder who does not wish to apply for Open Offer Shares should not complete or return the Application Form.

If you are a Non-CREST Shareholder and wish to apply for Open Offer Shares, you should complete and sign the Application Form in accordance with the instructions printed on it and return it, either by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as practicable and, in any event, so as to be received not later than 11am on 14 December 2016, at which time the Open Offer will close and after which time Application Forms will not, save as provided below, be accepted. Application Forms will not be valid unless signed in accordance with the instructions thereon. If the Application Form is being sent by first class post in the United Kingdom, or in the reply-paid envelope provided, you are advised to allow at least four business days for delivery.

Cheques must be drawn on the account to which you have sole or joint title to the funds therein. Cheques and banker's drafts must be crossed ''A/C payee only'' and made payable to ''Capita Registrars Limited Re: BACIT Limited—Open Offer A/C''. Payments must be made by cheque or banker's draft in Sterling drawn on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or a member of either of the committees of the Scottish or Belfast Clearing Houses or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by any of those companies or committees. Such cheques and banker's drafts must bear the appropriate sorting code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and account number by stamping and endorsing the building society cheque or banker's draft to such effect. The account name should be the same as that shown on the application. Any application or purported application for Open Offer Shares may be rejected unless these requirements are fulfilled.

Cheques and banker's drafts will be presented for payment on receipt and it is a term of the Open Offer that cheques and banker's drafts will be honoured on first presentation. The Company may elect to treat as valid or invalid any applications made by Non-CREST Shareholders in respect of which cheques are not so honoured. If cheques or banker's drafts are presented for payment before the conditions of the Proposed Transaction are fulfilled, the application monies will be kept in a separate non-interest-bearing bank account. If the Proposed Transaction does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Proposed Transaction.

If (but only if) the Company and the Sponsor so agree, Open Offer Shares will be deemed to have been taken up by 11 am on 14 December 2016 by Qualifying Non-CREST Shareholders if:

(a) a cheque or other remittance for the full amount payable in respect of such Open Offer Shares (and whether or not the cheque or other remittance shall be honoured) is received by 11am on 14 December 2016 from an authorised person (as defined in FSMA) who shall have specified the Open Offer Shares concerned and undertaken to lodge in due course, but in any event, within two Business Days, the relevant Application Form properly completed by the Qualifying Non-CREST Shareholder; or

(b) the relevant Application Form and a cheque or other remittance for the full amount payable in respect of those Open Offer Shares (and whether or not the cheque or other remittance is honoured) are received by 11am within two Dealing Days of 14 December 2016 by post and the cover does not bear a legible postmark of later than 11 am on 14 December 2016.

The Company may in its sole discretion treat as valid (and binding on the applicant concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this paragraph 3.1 of this Part VII.

By completing and delivering the Application Form, each applicant, *inter alia*:

(A) agrees that his or her application, the acceptance of his or her application and the contract resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, English law;

(B) confirms that, in making the application, he or she is not relying on any information or representation other than such as may be contained in this document and, accordingly, he or she agrees that no person responsible solely or jointly for this document or any part of it shall have any liability for any information or representation not contained in this document and that he or she will be deemed to have notice of all the information contained in this document;

(C) represents and warrants that he or she is (a) not a US Person or a resident of an Excluded Territory and is not applying on behalf of any such person; and (b) not applying with a view to the re-offer, re-sale or delivery of the Open Offer Shares directly or indirectly to US Persons or in or into an Excluded Territory, or to any other person he or she has reason to believe is purchasing or subscribing for the purpose of such re-offer, re-sale or delivery; and

(D) represents and warrants that (i) he or she is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis; and that (ii) he or she has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to exercise his or her rights and perform his or her obligations under any contracts resulting therefrom.

If you have any questions relating to the completion and return of the Application Form in respect of the Open Offer, please call Capita Asset Services shareholder helpline on +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00am and 5.30pm, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. If you are in any doubt as to the action you should take, please contact an appropriate financial adviser.

3.1.2 General

Subject as provided in paragraph 5 of this Part VII in relation to certain Overseas Shareholders, each CREST Shareholder will receive a credit to his or her stock account in CREST of his or her Open Offer Entitlements equal to the maximum number of Ordinary Shares for which he or she is entitled to apply under the Open Offer.

The CREST stock account to be credited will be an account under the CREST participant ID and CREST member account ID that apply to the existing Ordinary Shares held on the Record Date by the CREST Shareholder in respect of which the Open Offer Entitlements have been allocated. If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of CREST Shareholders cannot be credited by, 19 December 2016, or such later time as the Company may decide, an Application Form will be sent out to each CREST Shareholder in substitution for the Open Offer Entitlements credited to his or her stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Non-CREST Shareholders with Application Forms will apply to CREST Shareholders who receive Application Forms.

CREST members who wish to apply for some or all of their entitlement to Ordinary Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. If you have any questions as to these procedures, you should contact Capita Asset Services on +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00am and 5.30pm, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If you are in any doubt as to the action you should take, please contact an appropriate financial adviser. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Ordinary Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

3.1.3 Market claims

The Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Shareholders originally entitled or by a

person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly.

3.1.3.1 **USE instructions**

CREST members who wish to apply for Ordinary Shares in respect of all or some of their Open Offer Entitlements or under the Excess Application Facility in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event ("**USE**") instruction to Euroclear which, on its settlement, will have the following effect:

(a) the crediting of a stock account of the Receiving Agent under the CREST participant ID and CREST member account ID specified below, with a number of Open Offer Entitlements (and, if applicable, Excess Application Shares) corresponding to the number of Ordinary Shares applied for; and

(b) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Ordinary Shares referred to in (a) above.

3.1.4 Content of USE instructions for the Open Offer

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(a) the number of Ordinary Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);

(b) the ISIN of the Open Offer Entitlement, being GG00BD597Z49;

(c) the CREST participant ID of the accepting CREST member;

(d) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;

(e) the CREST participant ID of the Receiving Agent, in its capacity as a CREST receiving agent, being 7RA33;

(f) the CREST member account ID of the Receiving Agent, in its capacity as a CREST receiving agent, being 28935BAC;

(g) the amount payable by means of a CREST payment on settlement of the USE instruction, which must be the full amount payable on application for the number of Ordinary Shares referred to in (a) above;

(h) the intended settlement date, which must be on or before 11am on 14 December 2016; and

(i) the Corporate Action Number for the Open Offer, which will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instructions must comply with the requirements as to authentication and contents set out above and must settle on or before 11am on 14 December 2016.

To assist prompt settlement of the USE instruction, CREST members (or their Sponsor, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

(a) a contact name and telephone number (in the free format shared note field); and

(b) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST Sponsor, should note that the last time at which a USE instruction may settle on 14 December 2016 to be valid is 11am on that day.

In the event that the Proposed Transaction does not become unconditional by 11 am on 14 December 2016 or such later time and date as the Sponsor and/or the Company shall determine, the Proposed Transaction will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the

Receiving Agent will refund the amount paid by a CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter.

3.1.4.2 **Content of USE instructions for Excess Application Facility**

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(a) the number of Ordinary Shares for which application is being made under the Excess Application Facility;

(b) the ISIN of the Excess Application Shares, being GG00BDR6NC40;

(c) the CREST participant ID of the accepting CREST member;

(d) the CREST member account ID of the accepting CREST member from which the Excess Application Shares are to be debited;

(e) the CREST participant ID of the Receiving Agent, in its capacity as a CREST receiving agent, being 7RA33;

(f) the CREST member account ID of the Receiving Agent, in its capacity as a CREST receiving agent, being 28935BAC;

(g) the amount payable by means of a CREST payment on settlement of the USE instruction, which must be the full amount payable on application for the number of Ordinary Shares referred to in (a) above;

(h) the intended settlement date, which must be on or before 11 am on 14 December 2016; and

(i) the Corporate Action Number for the Excess Application Facility, which will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Excess Application Facility to be valid, the USE instructions must comply with the requirements as to authentication and contents set out above and must settle on or before 11 am on 14 December 2016.

To assist prompt settlement of the USE instruction, CREST members (or their Sponsor, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

(j) a contact name and telephone number (in the free format shared note field); and

(k) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST Sponsor, should note that the last time at which a USE instruction may settle on 14 December 2016 to be valid is 11 am on that day.

In the event that the Issue does not become unconditional by 11 am on 14 December 2016 or such later time and date as the Sponsor and/or the Company shall determine, the Issue will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter.

3.1.5 Deposit of Open Offer Entitlements into, and withdrawal from, CREST

A Non-CREST Shareholder's entitlement under the Open Offer, as shown by the number of Open Offer Entitlements set out in his or her Application Form, may be deposited into CREST (into the account of either the Qualifying Shareholder named on the Application Form or a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in the Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing so to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11am on 14 December 2016.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier

and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3pm on 9 December 2016, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30pm on 8 December 2016, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11am on 14 December 2016.

Delivery of an Application Form with the CREST deposit form duly completed, whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into an account in the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it is/they are not in breach of the provisions of the notes under the paragraph headed ''Instructions for depositing Open Offer entitlements into CREST'' on page 3 of the Application Form, and a declaration to the Company and the Registrar from the relevant CREST member(s) that it is/they are not US Persons or resident(s) of any Excluded Territory and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/ are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

3.1.6 Validity of application

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11am on 14 December 2016 will constitute a valid application under the Open Offer.

3.1.7 CREST procedures and timings

CREST members and (where applicable) their CREST Sponsor should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his or her CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11am on 14 December 2016. In this connection CREST members and (where applicable) their CREST Sponsor are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

3.1.8 Incorrect or incomplete applications

If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

(a) to reject the application in full and refund the payment to the CREST member in question without interest;

(b) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Ordinary Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the CREST member in question; or

(c) in the case that an excess sum is paid, to treat the application as a valid application for all the Ordinary Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question.

3.1.9 Effect of valid application

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

(a) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);

(b) agree that his or her application, the acceptance of his or her application and the contract resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, English law;

(c) confirm that, in making the application, he or she is not relying on any information or representation other than such as may be contained in this document and, accordingly, he or she agrees that no person responsible solely or jointly for this document or any part of it shall have any liability for any information or representation not contained in this document and that he or she will be deemed to have notice of all the information contained in this document;

(d) represent and warrant that he or she is (A) not a US Person or a resident of an Excluded Territory and is not applying on behalf of any such person; and (B) not applying with a view to the re-offer, resale or delivery of the Open Offer Shares directly or indirectly to US Persons or in or into an Excluded Territory, or to any other person he or she has reason to believe is purchasing or subscribing for the purpose of such reoffer, resale or delivery;

(e) represent and warrant that (i) he or she is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis; and that (ii) he or she has the right power and authority, and has taken all action necessary, to make the application under the Open Offer and to exercise his or her rights and perform his or her obligations under any contracts resulting therefrom;

(f) request that the Open Offer Shares to which he or she will become entitled be issued to him or her on the terms set out in this document and subject to the Memorandum and Articles of Incorporation of the Company;

(g) represent and warrant that he or she is not, and is not 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 93 (depositary receipts) or Section 96 (clearance services) of the Finance Act 1986; and

(h) represent and warrant that he or she is the CREST Shareholder originally entitled to the Open Offer Entitlements or that he or she has received such Open Offer Entitlements by virtue of a *bona fide* market claim.

3.1.10 Company's discretion as to rejection and validity of applications

The Company may in its sole discretion:

(a) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this paragraph 3.1.10 of Part VII;

(b) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;

(c) treat a properly authenticated dematerialisation instruction (in this sub-paragraph the "first instruction") as not constituting a valid instruction if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent have received actual notice from Euroclear of any of the matters specified in Regulation 34(1) of the Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

(d) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Ordinary Shares under the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

4. Money Laundering Regulations

4.1 Holders of Application Forms

To ensure compliance with the UK Money Laundering Regulations 2007, The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, as amended, and/or The Criminal Justice (Proceeds of Crime) (Financial Services Businesses) (Bailiwick of Guernsey) Regulations, 2007, as amended, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the ''verification of identity requirements''). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the UK Money Laundering Regulations 2007, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the ''**acceptor**''), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (the ''**relevant Open Offer Shares**'') and shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Issue) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company nor the Bookrunner will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

The verification of identity requirements will not usually apply if:

(a) the acceptor is an organisation required to comply with the EU Money Laundering Directive (No. 91/308/EEC);

(b) the acceptor (not being an acceptor who delivers his or her acceptance in person) makes payment by way of a cheque drawn on an account in the name of such acceptor; or

(c) the aggregate subscription price for the relevant Open Offer Shares is less than €15,000 or its Sterling equivalent.

In other cases, the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

(a) if payment is made by building society cheque or banker's draft, by the building society or bank endorsing on the cheque or draft the acceptor's full name and the number of an account held in the acceptor's name at such building society or bank, such endorsement being validated by a stamp and an authorised signature; or

(b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (a) above or which is subject to anti-money laundering regulations in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Switzerland, Turkey, the United Kingdom Crown Dependencies and the United States along with, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Qatar, Oman, Saudi Arabia and the United Arab Emirates), the agent should provide written confirmation that it has that status with the Application Form(s) and written assurance that it

has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Registrar and/or any relevant regulatory or investigatory authority.

Third party cheques may not be accepted.

To confirm the acceptability of any written assurance referred to in this paragraph 4 above, or in any other case, the acceptor should contact the Capita Asset Services shareholder helpline on +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00am and 5.30pm, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. If you are in any doubt as to the action you should take, please contact an appropriate financial adviser.

4.2 Open Offer Entitlements in CREST

If you hold your Open Offer Entitlements in CREST and apply for Ordinary Shares in respect of all or some of your Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the UK Money Laundering Regulations 2007, The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, as amended, and/or The Criminal Justice (Proceeds of Crime) (Financial Services Businesses) (Bailiwick of Guernsey) Regulations, 2007, as amended. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay the issue or transfer of the Ordinary Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Ordinary Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

5. Overseas Shareholders

The distribution of this document and the making of the Open Offer to persons located or resident in, or who are citizens of, or who have a registered address in, countries other than the United Kingdom may be restricted by the law or regulatory requirements of the relevant jurisdiction. Any failure to comply with such restrictions may constitute a violation of the securities laws of the relevant jurisdiction. Any Shareholder who is in any doubt as to his or her position should consult an appropriate professional adviser without delay.

Receipt of this document and/or the Application Form and/or a credit of Open Offer Entitlement to a stock account in CREST will not constitute an invitation to subscribe for Open Offer Shares in those jurisdictions in which it would be illegal to make such an invitation or any related offer and/or acceptance and, in those circumstances, this document and/or the Application Form will be sent for information only and should not be copied or redistributed. No person receiving a copy of this document and/or the Application Form and/or a credit of Open Offer Entitlement to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, or use the Application Form and/or credit of Open Offer Entitlement to a stock account in CREST, unless in the relevant territory such an invitation or offer could lawfully be made to him/her and such an Application Form and/or a credit of Open Offer Entitlement to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements.

Accordingly, persons receiving a copy of this document and/or the Application Form should not, in connection with the Open Offer or otherwise, distribute or send the same to any US Persons or any person in, or citizen or resident of, or into any jurisdiction where to do so would or might

contravene local securities laws or regulations. If a copy of this document and/or the Application Form is received by any US Persons or any person in any such territory, or by their agent or nominee in any such territory, he or she must not seek to apply for Open Offer Shares. Any person who does forward this document and/or the Application Form into any such territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 5 and paragraph 4 above.

Any person (including, without limitation, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares must satisfy himself/herself as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The comments set out in Part IX "*Tax Considerations*" and in this paragraph 5 of Part VII are intended as a general guide only and any Shareholder who is in any doubt as to his/her position should consult his/her appropriately authorised professional adviser without delay.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares which appears to the Company or its agents to have been executed, effected or despatched by or on behalf of a US Person or in a manner which may involve a breach of the laws or regulations of any jurisdiction or if the Company believes or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of share certificates for Open Offer Shares, or in the case of a credit of Open Offer Shares in CREST, to a CREST member whose registered address would be, in an Excluded Territory or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates.

Shareholders who are not US Persons in jurisdictions other than the Excluded Territories may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares in accordance with the instructions set out in this document and the Application Form. Such Shareholders who have registered addresses in, or who are resident in, or who are citizens of, countries other than the United Kingdom should, however, consult their appropriate professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Open Offer Shares.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder to apply for Open Offer Shares if the Company, in its sole and absolute discretion, is satisfied at any time prior to 11 am on 14 December 2016 that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

If you are in any doubt as to your eligibility to take up Open Offer Shares, you should contact an appropriate professional adviser immediately.

6. Withdrawal rights

Shareholders wishing to exercise statutory withdrawal rights under section 87Q(4) of FSMA after publication by the Company of a prospectus supplementing this document must do so by lodging a written notice of withdrawal (and for these purposes a written notice includes a notice sent by email to withdraw@capita.co.uk), which must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such person is a CREST member, the Participant ID and the Member Account ID of such CREST member, with Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than two business days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received by the Receiving Agent after expiry of such period will not constitute a valid withdrawal. The Company will not permit the exercise of withdrawal rights after payment by the relevant Qualifying Shareholder of its subscription in full and the allotment and issue or transfer of Open Offer Shares to such Qualifying Shareholder becoming unconditional. In such event Shareholders are advised to seek independent legal advice.

7. Admission, settlement and dealings

The result of the Open Offer is expected to be announced on 14 December 2016. Applications will be made to the UK Listing Authority for all of the New Ordinary Shares issued and to be issued in connection with the Issue to be admitted to the Official List and to the London Stock Exchange for such New Ordinary Shares to be admitted to trading on the premium segment of the London Stock

Exchange's main market for listed securities. Subject to the Issue becoming unconditional in all respects (save only as to Admission), it is expected that Admission will become effective and that dealings in the Open Offer Shares will commence at 8 am on 19 December 2016.

If the conditions to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied (expected to be 14 December 2016). The Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be at 8 am on 19 December 2016). The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given. Qualifying Shareholders whose Ordinary Shares are held in CREST should note that they will be sent no confirmation of the credit of the Open Offer Shares to their CREST stock account nor any other written communication by the Company in respect of the issue of the Open Offer Shares.

Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Holders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and/or to issue any Open Offer Shares in certificated form. In normal circumstances this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST, or on the part of the facilities and/or systems operated by Capita Asset Services in connection with CREST. This right may also be exercised if the correct details (such as participant ID and member account ID details) are not provided as requested on the Application Form.

For Qualifying non-CREST Holders who have applied by using an Application Form, share certificates for the Open Offer Shares validly applied for are expected to be despatched by post by 28 December 2016. No temporary documents of title will be issued. Pending despatch of definitive share certificates, transfers of the Open Offer Shares by Qualifying non-CREST Holders will be certified against the register. All documents or remittances sent by or to an applicant (or his or her agent as appropriate) will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant.

8. Dilution

The issued ordinary share capital will, following the Firm Placing and the Issue, be increased by up to 100 per cent.

Qualifying Shareholders who do not participate at all in the Open Offer and Excluded Shareholders will have their proportionate ownership and voting interest in the Ordinary Shares and the percentage that their existing Ordinary Shares represent of the issued share capital of the Company reduced by approximately 50 per cent.

Notwithstanding any participation in the Open Offer, Shareholders will have their proportionate ownership and voting interest in the Ordinary Shares reduced as a result of the implementation of the Firm Placing and as a result of the increased size of the Company's issued share capital.

9. Governing law

The terms and conditions of the Open Offer as set out in this document and the Application Form are governed by, and shall be construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document and the Application Form.

By taking up their entitlements under the Open Offer in accordance with the instructions set out in this document and the Application Form, Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive 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.

10. The Placing

The Company and the Sponsor have entered into the Placing Agreement pursuant to which, subject to certain conditions, the Sponsor has agreed to use reasonable endeavours to procure subscribers for Sale Shares and up to 121,938,563 New Ordinary Shares in the Placing. The Placing Agreement contains certain conditions and provisions entitling the Sponsor to terminate the Placing Agreement (and the arrangements associated with it) at any time before Admission in certain circumstances. If

this right of termination is exercised by the Sponsor, the Firm Placing and the Issue will lapse and any monies received in respect of the Firm Placing or the Issue will be returned to the relevant parties without interest and at their own risk. Sale Shares which are offered for sale will be used to satisfy subscriptions under the Placing in preference to the issue of New Ordinary Shares. If the Sponsor exercises its right of termination under the Placing Agreement then any Sale Shares that Selling Shareholders have elected to sell will be returned to the relevant Selling Shareholders at their own risk.

The Sponsor may appoint additional placing agents with whom they may share their commission received pursuant to the Placing Agreement.

The Placing is, along with the Firm Placing, the Open Offer and the implementation of the Proposed Transaction, conditional upon (a) the passing of the Implementation Resolutions and the Discontinuation Vote not having passed; and (b) the Company receiving demand for a number of Ordinary Shares under the Issue which is equal to or exceeds the number of Sale Shares which Shareholders have elected to sell.

For information on the Placing Agreement see paragraph 6.1 of Part XI "*Additional Information*" of this Prospectus.

10.1.1 Terms and conditions of the Placing

10.1.1.1 **Introduction**

These terms and conditions apply to persons agreeing to acquire Ordinary Shares in the Placing. Pursuant to the Liquidity Facility, Sale Shares will be placed to the Investors in preference to New Ordinary Shares. Therefore, the terms "New Ordinary Shares" and "Sale Shares" shall collectively be referred to in this Part VII as "Placing Shares" and the term "Investor" shall be understood to mean the persons to whom such Placing Shares are placed pursuant to the Placing.

Each Investor hereby agrees with the Global Coordinator, the Registrar and the Company to be bound by the following terms and conditions upon which the Placing Shares will be sold in the Placing. An Investor shall, without limitation, become so bound if the Global Coordinator (i) confirms (orally or in writing) the allocation to such Investor and (ii) notifies, on behalf of the Company, the name of the Investor to the Registrar.

The Global Coordinator may require any Investor to agree such further terms and/or conditions and/or give such additional representations, warranties, undertakings, acknowledgements and/or agreements as it (in its absolute discretion) sees fit and/or may require any such Investor to execute a separate placing letter.

10.1.1.2 **Agreement to acquire Placing Shares**

Conditional on (i) Admission occurring and becoming effective by 8.00 a.m. (London time) on or prior to 19 December 2016 (or such later time and/or date as the Company and the Global Coordinator may agree), (ii) the Placing Agreement becoming unconditional in all respects and not having been terminated on or before 14 December 2016 (or such later date as the Company and the Global Coordinator may agree) and (iii) the confirmation mentioned under paragraph 10.1.1.1 above, each Investor agrees to become a member of the Company and agrees to acquire Placing Shares at the Offer Price. The number of Placing Shares acquired by such Investor in the Placing shall be determined in accordance with the arrangements described above. To the fullest extent permitted by law, each Investor acknowledges and agrees that it will not be entitled to exercise any rights of withdrawal or any remedy of rescission at any time. This does not affect any other rights which such Investor may have.

10.1.1.3 **Payment for Shares**

Each Investor undertakes to pay the Offer Price for the Placing Shares agreed to be acquired by such Investor in such manner as shall be directed by the Global Coordinator. If the Investor fails to pay as so directed and/or by the time required by the Global Coordinator, that Investor's application for Placing Shares may be rejected. Any Investor which is a financial intermediary undertakes on its own behalf and as principal (and not on behalf of any other party) to make payment for the Placing Shares agreed to be acquired by such Investor.

10.1.1.4 **Representations, warranties and undertakings**

By receiving this Prospectus, each Investor and, in the case of paragraph (gg) below, any person confirming his/its agreement to acquire Placing Shares in the Placing on behalf of an Investor or authorising the Global Coordinator to notify an Investor's name to the Registrar, is deemed to represent, warrant and undertake to, and to acknowledge and agree with, the Global Coordinator, the Registrar and the Company that:

(a) if the Investor is a natural person, such Investor will not be under the age of majority (18 years of age in the United Kingdom) on the date such Investor's application to acquire Placing Shares in the Placing is accepted;

(b) in agreeing to acquire Placing Shares in the Placing, the Investor is relying solely on the Prospectus and any supplementary prospectus and any regulatory announcement issued by the Company, and not on any other information, representation or statement concerning the Company or the Placing. Such Investor agrees that none of the Company, the Registrar and the Global Coordinator, nor any of their respective officers, directors, partners, agents or employees, will have any liability for any such other information, representation or statement;

(c) having had the opportunity to read the Prospectus, the Investor shall be deemed to have had notice of all information and representations, warranties, undertakings, acknowledgements and agreements contained in the Prospectus, that it is acquiring Placing Shares solely on the basis of the Prospectus and any supplementary prospectus and the Articles and no other information and that in accepting a participation in the Placing it has had access to all information it believes necessary or appropriate in connection with its decision to acquire Placing Shares;

(d) the content of the Prospectus is exclusively the responsibility of the Company and its Directors and, apart from the liabilities and responsibilities, if any, which may be imposed on the Global Coordinator by FSMA or the regulatory regime established thereunder, neither the Global Coordinator nor any of its affiliates nor any person acting on behalf of any of them makes any representation, express or implied, or accepts 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 Placing Shares or the Placing;

(e) the Investor acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Global Coordinator, the Company, BACIT UK or any of their respective affiliates;

(f) if the laws of any place outside the United Kingdom are applicable to the Investor's application to acquire Placing Shares and/or the acceptance thereof, such Investor 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 the Investor's application to acquire Placing Shares and/or the acceptance thereof and none of the Global Coordinator, the Registrar, the Company and any of their respective agents, officers and employees will infringe any laws or regulatory requirements, directly or indirectly, outside the United Kingdom as a result of such Investor's application to acquire Placing Shares and/or the acceptance thereof or any actions arising from such Investor's rights and obligations under the Investor's application to acquire Placing Shares and/or the acceptance thereof or under the Articles;

(g) the Investor accepts that none of the Placing Shares have been or will be registered under the laws of Canada, Japan, or Australia. Accordingly, subject to certain exceptions, the Placing Shares may not be offered, sold or delivered, directly or indirectly, within Canada, Japan or Australia;

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

(i) if the Investor is outside the United Kingdom, neither the Prospectus nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to acquire Placing Shares in the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Placing Shares could lawfully be distributed to, and acquired and held by, it or such person without compliance with any unfulfilled approval, registration or other legal requirements;

(j) to the extent to which any promotion of the Placing Shares is deemed to take place in Guernsey, the Placing Shares are only being promoted in or from within Guernsey either (i) by persons licensed to do so under the POI Law or (ii) to persons licensed under the POI Law, the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended) or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended). Promotion is not being made in any other way;

(k) it is aware of the obligations regarding insider dealing in the United Kingdom under the Criminal Justice Act 1993, section 118 of FSMA and the Proceeds of Crime Act 2002 and in Guernsey under the Company Securities (Insider Dealing) (Bailiwick of Guernsey) Law, 1996 (as amended), Section 41A of the POI Law, and the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, as amended, and confirms that it has and will continue to comply with those obligations;

(l) the Investor 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 Placing Shares and it is not acting on a non-discretionary basis for any such person;

(m) the Placing Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered or transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the Investment Company Act;

(n) the Company has not been and will not be registered under the Investment Company Act, and, as such, Investors will not be entitled to the benefits of the Investment Company Act;

(o) the Investor is located outside the United States, is not a US Person, is acquiring the Placing Shares in an ''offshore transaction'' meeting the requirements of Regulation S under the Securities Act and is not acquiring the Placing Shares for the account or benefit of a US Person;

(p) if in the future the Investor decides to offer, sell, assign, pledge or otherwise dispose of or transfer the Placing Shares or any beneficial interest therein, it will do so only (i) in an ''offshore transaction'' complying with the provisions of Regulation S to a person outside the United States and not known by the transferor to be a US Person, by prearrangement or otherwise, or (ii) to the Company or a subsidiary thereof;

(q) the Investor is acquiring the Placing 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 Placing Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;

(r) the Investor has received this Prospectus outside the United States and has carefully read and understands this Prospectus and the Investor has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other offering material concerning the Placing or the Placing Shares to any persons within the United States or to any US Person or to any resident of the United States, nor will it do any of the foregoing;

(s) the Investor is not, and is not applying as nominee or agent for, a person which is, or may be, mentioned in any of sections 67, 70, 93 and 96 of the UK Finance Act 1986 (depositary receipts and clearance services);

(t) the Investor (a) is not a benefit plan investor (as defined in Section 3(42) of ERISA), which term includes any employee benefit plan that is subject to Part 4 of Subtitle B of Title I of ERISA, any plan that is subject to Section 4975 of the Code, such as an individual retirement account, any entity whose underlying assets include plan assets by reason of a plan's investment in the entity and a plan or other arrangement subject to provisions under applicable federal, state, local, non-U.S. or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the Code and (b) is not using ''plan assets'' (within the meaning of Section 3(42) of ERISA) subject to Title I of ERISA or Section 4975 of the Code;

(u) the Investor is not (a) a resident of the United States; or (b) a person to whom the offering of the Placing Shares, or in relation to whom the direct or beneficial holding of the Placing Shares, would or might result in the Company losing any exemption from registration under the Investment Company Act or the assets of the Company being deemed to be assets of a Plan Investor;

(v) the Investor acknowledges that neither the Global Coordinator nor any of its affiliates nor any person acting on behalf of any of them is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and that the Investor's participation in the Placing is on the basis that it is not and will not be a client of either the Global Coordinator or any of its affiliates and neither the Global Coordinator nor any of its affiliates nor any person acting on behalf of any of them has any duties or responsibilities to the Investor for providing protections afforded to its clients or advice in relation to the Placing or in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement;

(w) the Investor acknowledges that where it is subscribing for Placing Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing by each such account (i) to agree to acquire Placing Shares for each such account, (ii) to make on each such account's behalf the representations, warranties, undertakings, acknowledgements and agreements set out in the Prospectus and (iii) to receive on its behalf any documentation relating to the Placing in the form provided by the Global Coordinator. The Investor agrees that the provisions of this paragraph shall survive any resale of the Placing Shares by or on behalf of any such account;

(x) the Investor irrevocably appoints any director of the Company and any director of the Global Coordinator 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 Placing Shares for which it has given a commitment in the Placing, in the event of the Investor's failure to do so;

(y) the Investor accepts that, if the Placing does not proceed or the conditions to the Placing Agreement are not satisfied or the Placing Shares which require Admission (that is the New Ordinary Shares) are not admitted to listing on the Official List of the UK Listing Authority or to trading on the London Stock Exchange for any reason whatsoever, none of the Global Coordinator, the Company, their respective affiliates, any persons controlling, controlled by or under common control with any of them and any of their respective employees, agents, officers, members, stockholders, partners or representatives shall have any liability whatsoever to the Investor or any other person;

(z) in connection with the Investor's participation in the Placing, it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and the countering of terrorist financing, and that its application is only made on the basis that it accepts full responsibility for any requirement to identify and verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person (i) subject to the EU Money Laundering Regulations 2007 in force in the United Kingdom or (ii) subject to the Money Laundering Directive (Council Directive No. 91/308/EEC) or (iii) subject to the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law 1999 (as amended), the regulations made thereunder and the Handbook for Financial Services Business on Countering Financial Crime and Terrorist Financing (containing rules and guidance) issued by the GFSC (as amended, supplemented or replaced from time to time) 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 EU Money Laundering Directive. Any investor investing for or on behalf of any of its underlying clients will need to

complete an intermediary relationship confirmation form or an introducer certificate and accompanying underlying client information certificate. Such form/certificate may be obtained from the Global Coordinator and must be completed to the satisfaction of the Global Coordinator prior to any subscription of Placing Shares;

(aa) due to anti-money laundering requirements, the Global Coordinator and the Company may require proof of identity of the Investor and related parties and verification of the source of payments before applications can be processed and, in the event of delay or failure by the Investor to produce any information required for verification purposes, the Global Coordinator and/or the Company may refuse to accept such applications and the subscription moneys relating thereto. The Investor will hold harmless and indemnify the Global Coordinator and/or the Company against any liability, loss or cost ensuing due to the failure to process applications if such information as has been requested and has not been provided by the Investor or has not been provided on a timely basis;

(bb) any person in Guernsey involved in the business of the Company who has a suspicion or belief that any other person (including the Company or any person subscribing for Placing Shares) is involved in money laundering activities, is under an obligation to report such suspicion to the Guernsey Financial Intelligence Service pursuant to the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 (as amended) and the Disclosure (Bailiwick of Guernsey) Law 2007. Similar disclosures may be required under other legislation;

(cc) pursuant to the Data Protection (Bailiwick of Guernsey) Law, 2001 (as amended) (the "**DP Law**"), the Company, the Administrator and/or the Registrar may hold personal data (as defined in the DP Law) relating to past and present Shareholders and that such personal data held is used by the Registrar and/or the Administrator to maintain the Company's register of Shareholders and mailing lists and this may include sharing data with third parties in one or more countries when (a) effecting the payment of dividends and redemption proceeds to Shareholders and the payment of commissions to third parties and (b) filing returns of Shareholders and their respective transactions in Placing Shares with statutory bodies and regulatory authorities and may also involve transferring personal data without consent:

- to third party service providers, agents or functionaries appointed by the Company or its agents to provide services to prospective investors;
- to any government, regulatory authority, court of competent jurisdiction, stock exchange, clearing house or investigatory authority or as otherwise required by any applicable laws and regulations; and
- outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as Guernsey,

the applicant (in respect of itself (if it is an individual) or a third party individual (if acting on their behalf)) consents to the processing by the Company, the Administrator and/or the Registrar of any personal data relating to it in the manner described above;

(dd) the Global Coordinator, the Company and BACIT UK are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to Investors;

(ee) the representations, warranties, undertakings, acknowledgements and agreements contained in the Prospectus are irrevocable and the Global Coordinator, the Company, BACIT UK and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, warranties, undertakings, acknowledgements and agreements and, if any of the representations, warranties, undertakings, acknowledgements or agreements made or deemed to have been made by the Investor's subscription of the Placing Shares are no longer accurate or have not been complied with, the Investor shall promptly notify the Global Coordinator and the Company;

(ff) where the Investor or any person acting on its behalf is dealing with the Global Coordinator, any money held in an account with the Global Coordinator on behalf of the Investor and/or any person acting on its behalf will not be treated as client money within the meaning of the relevant rules and regulations of the FCA or the GFSC and, accordingly, the Global Coordinator will not be required to segregate such money, as that money will be held by the Global Coordinator under a banking relationship and not as trustee;

(gg) any of the Investor's clients, whether or not identified to the Global Coordinator, will remain its sole responsibility and will not become clients of the Global Coordinator for the purposes of the rules of the FCA or the GFSC (as applicable) or for the purposes of any statutory or regulatory provision;

(hh) the Investor accepts that the Company may fulfil the Investor's subscription for Placing Shares either by providing New Ordinary Shares issued by the Company, or by providing Sale Shares sold by Selling Shareholders (or by providing any combination of New Ordinary Shares and Sale Shares) and that whether the Investor receives New Ordinary Shares or Sale Shares (or any combination thereof) shall be determined by the Global Coordinator in its absolute discretion;

(ii) the Investor further accepts that the allocation of Placing Shares shall be determined by the Global Coordinator in its absolute discretion (after consultation with the Company) and that commitments to acquire Placing Shares may be scaled down for this purpose on such basis as the Global Coordinator may determine;

(jj) time shall be of the essence as regards the Investor's obligations to settle payment for the Placing Shares and to comply with its other obligations in the Placing; and

(kk) in the case of a person who confirms to the Global Coordinator on behalf of an Investor (whether a natural person or otherwise) an agreement to acquire Placing Shares in the Placing and/or who authorises the Global Coordinator to notify the Investor's name to the Registrar as mentioned above, that person represents and warrants that he has authority to do so on behalf of the Investor.

(ll) each person in a member state of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**") (other than in the case of paragraph (A) below, persons receiving offers contemplated in the Prospectus in the United Kingdom once the Prospectus has been approved by the UKLA) who receives any communication in respect of, or who acquires any Placing Shares in the Placing will be deemed to have represented and warranted to and agreed with the Global Coordinator, the Administrator, the Registrar and the Company that:

  (A) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive or it is itself acquiring Placing Shares for a total consideration of not less than €100,000; and

  (B) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, (x) persons in any Relevant Member State other than qualified investors, within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive, or (y) persons in any Relevant Member State acquiring Placing Shares for a total consideration of less than €100,000; or (ii) where Placing Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, or (y) persons in any Relevant Member State acquiring Placing Shares for a total consideration of less than €100,000, the placing of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons.

(mm) each person who receives any communication in respect of, or who acquires any Placing Shares in the Placing pursuant to, the offers contemplated in this Prospectus in circumstances under which the laws or regulations of a jurisdiction other than a Relevant Member State would apply will be deemed to have represented and warranted to the Company, the Global Coordinator and their respective affiliates that it is a person to whom the Placing Shares may be lawfully offered under that other jurisdiction's laws and regulations without compliance by the Company, the Global Coordinator or any of their respective affiliates with any filing, approval or notification requirements outside Guernsey or the United Kingdom, and to have acknowledged and agreed that the information contained in this Prospectus is available only to persons who have professional experience in matters relating to investment.

(nn) it agrees to provide the Company with such information as the Company deems necessary to comply with CRS, FATCA or any obligation arising under the implementation of CRS, FATCA or any applicable intergovernmental agreement including the U.S.-Guernsey IGA.

10.1.1.5 **Miscellaneous**

The minimum amount for which a prospective Investor may agree to acquire Placing Shares in the Placing is £1,000.

If the Global Coordinator, the Registrar, the Company or any of their agents request any information about a prospective Investor and/or its agreement to subscribe for Placing Shares in the Placing, such Investor must promptly disclose it to them.

The rights and remedies of the Global Coordinator, the Registrar, the Company and BACIT UK 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 prospective Investor is a discretionary fund manager, that Investor may be asked to disclose in writing or orally to the Global Coordinator the jurisdiction in which its funds are managed or owned.

All documents will be sent at the Investor's risk. They may be sent by post to such Investor at an address notified to the Global Coordinator.

Each Investor agrees to be bound by the Articles (as amended from time to time) once the Placing Shares which the Investor has agreed to acquire in the Placing have been acquired by the Investor. The contract to acquire Placing Shares in the Placing and the appointments and authorities mentioned in the Prospectus will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Global Coordinator, the Company, the BACIT UK and the Registrar, each Investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of these matters. This does not prevent an action being taken against an Investor in any other jurisdiction.

In the case of a joint agreement to acquire Placing Shares in the Placing, references to an "Investor" in these terms and conditions are to each of the Investors who are a party to that joint agreement and their liability is joint and several.

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

11. Liquidity Facility

The Company is offering its Shareholders the opportunity to sell their Sale Shares at the Offer Price. The Liquidity Facility will be implemented on a temporary basis in connection with the Issue and the implementation of the Proposed Transaction.

The Liquidity Facility, as with the Firm Placing, the Issue and the Proposed Transaction, is conditional upon:

(a) the Implementation Resolutions having passed and the Discontinuation Vote not having passed; and

(b) the Company having received subscriptions for a number of Ordinary Shares under the Issue (which, for the avoidance of doubt, shall exclude the subscriptions for New Ordinary Shares by the Firm Placees as part of the Firm Placing), which is equal to or exceeds the number of Sale Shares that Selling Shareholders have elected to sell.

All of the Implementation Resolutions must be passed for the Liquidity Facility to go ahead.

A Selling Shareholder will only be entitled to sell its Sale Shares to the extent that such Sale Shares can be sold by the Company, acting as agent for the Selling Shareholder, to an incoming investor pursuant to the Issue. The maximum number of Sale Shares that Selling Shareholders shall be able to sell shall be capped at the number of Sales Shares which is equal to the number of Ordinary Shares which are subscribed for as part of the Issue.

Any Sale Shares which are transferred to incoming investors shall be transferred at the Offer Price.

The Liquidity Facility will close at 11am on 13 December 2016 and no Deed of Election or TTE instruction received after 11am on 13 December 2016 will be accepted in whole or in part.

The procedure for selling Sale Shares under the Liquidity Facility depends on whether the Sale Shares are held in certificated or uncertificated form and is summarised below:

11.1 Sale Shares held in certificated form

Selling Shareholders who hold Sale Shares in certificated form and who wish to participate in the Liquidity Facility should follow the instructions set out in the Deed of Election (which constitutes part of the terms of the Liquidity Facility) and return it to the Receiving Agent to arrive by no later than 11am on 13 December 2016. Selling Shareholders who hold their Sale Shares in certificated form should also send their share certificate(s) or other documents of title in respect of the Sale Shares offered for sale with their Deed of Election to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Further details of the procedure for electing to sell and settlement are set out in the Deed of Election. Offers to sell will only be valid if the procedures contained in this Prospectus and in the Deed of Election are complied with in full.

The Deed of Election is a legal document governed by English law which contains instructions from Selling Shareholders to the Company to sell a specific number of Sale Shares on their behalf. Selling Shareholders will need to specify in the Deed of Election the exact number of Sale Shares that they would like to sell, as well as provide certain other details that are necessary for the Company to arrange for the sale of those Sale Shares on their behalf, including confirmation of title and, where those Sale Shares are currently held in certificated form, a share certificate.

By entering into the Deed of Election, a Selling Shareholder will be appointing the Company under a power of attorney to sell the Sale Shares specified in the Deed of Election at the Offer Price and will be providing the Company and J.P. Morgan Cazenove with the representations, warranties, undertakings, confirmations and indemnities provided in the Deed of Election. If Selling Shareholders have any questions about the Deed of Election and its contents and effect, they are recommended to take appropriate independent advice.

11.2 Sale Shares held in uncertificated form

All offers to sell in respect of Sale Shares held in uncertificated form (that is, in CREST) must be made by the input and settlement of a TTE instruction in CREST in accordance with the instructions set out in this Prospectus and the relevant procedures in the CREST manual (which together constitute part of the terms of the Liquidity Facility). Such elections will only be valid when the procedures contained in this Prospectus and in the relevant parts of the CREST manual are complied with in full.

If the Sale Shares that Selling Shareholders wish to sell are in uncertificated form Selling Shareholders should take (or procure to be taken) the action set out below to transfer to escrow (by means of a TTE instruction) the total number of Sale Shares that a Selling Shareholder wishes to sell under the Liquidity Facility, specifying the Receiving Agent (in its capacity as a CREST participant under the participant ID referred to below) as the escrow agent, as soon as possible and in any event so that the transfer to escrow settles not later than 11am on 13 December 2016.

The input and settlement of a TTE instruction in accordance with this paragraph shall constitute an offer to sell the number of Sale Shares at the Offer Price, by transferring such Sale Shares to the relevant escrow account as detailed below (an "**Electronic Election**").

If a Selling Shareholder is a CREST sponsored member, such Selling Shareholder should refer to their CREST sponsor before taking any action. A Selling Shareholder's CREST sponsor will be able to confirm details of their Participant ID and the member account ID under which their Sale Shares are held. In addition, only a CREST sponsor will be able to send the TTE instruction to Euroclear in relation to a Selling Shareholder's Sale Shares.

To elect to sell Sale Shares in uncertificated form a Selling Shareholder should send (or, if such Selling Shareholder is a CREST sponsored member, procure that their CREST sponsor sends) a TTE instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and which must contain, in addition to the other information that is required for the TTE instruction to settle in CREST, the following details:

- the ISIN for the Sale Shares which is: GG00B8P59C08;
- the number of Sale Shares to be transferred to an escrow balance;
- the Selling Shareholder's Member account ID;
- the Selling Shareholder's Participant ID;
- the Participant ID of the escrow agent, the Receiving Agent, in its capacity as a CREST receiving agent. This is: RA10;

- the Member account ID of the escrow agent. This is: 28935BAC;
- the Corporate Action Number of the Liquidity Facility, which is allocated by Euroclear and is available by viewing the relevant corporate action detail, in CREST;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and in any event no later than 11am on 13 December 2016;
- the standard delivery instruction with Priority 80; and
- contact name and telephone number inserted in the shared note field.
- After settlement of the TTE instruction, Selling Shareholders will not be able to access their Sale Shares which are the subject of such TTE instruction in CREST for any transaction or charging purposes, notwithstanding that they will be held by the Receiving Agent until they are transferred to an incoming investor or the Liquidity Facility otherwise lapses. If the Liquidity Facility becomes unconditional and an offer is accepted, the Receiving Agent will transfer the Sale Shares to the incoming investor.

Selling Shareholders are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined above.

Selling Shareholders should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. Selling Shareholders should therefore ensure that all necessary action is taken by them (or by their CREST sponsor) to enable a TTE instruction relating to their Sale Shares to settle prior to 11am on 13 December 2016. In this connection Selling Shareholders are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

An appropriate announcement will be made if any of the details contained in this paragraph 11.2 are altered in any material respect for any reason.

Withdrawals of Electronic Elections are not permitted once submitted.

Each Selling Shareholder by whom, or on whose behalf, an Electronic Election is made irrevocably undertakes, represents, warrants and agrees to and with the Company and the Receiving Agent, for itself and as agent for the Company, so as to bind such holder and their personal or legal representatives, heirs, successors and assigns to the following effect:

11.2.1.1 the input of the TTE Instruction shall constitute an irrevocable offer to sell to an incoming investor such number of Sale Shares, at the Offer Price, as are specified in the TTE Instruction in such case, on and subject to the terms and conditions set out or referred to in this document;

11.2.1.2 such Selling Shareholder has full power and authority to sell, assign or transfer the Sale Shares in respect of which such irrevocable offer is accepted (together with all rights attaching thereto) and, if the same are purchased by an incoming investor, such incoming investor will acquire such Sale Shares free and clear from all liens, charges, restrictions, claims, equitable interests and encumbrances and together with all rights attaching thereto and such representation and warranty will be true in all respects at the time the incoming investor purchases such Sale Shares as if it had been entered into anew at such time and shall not be extinguished by such purchase;

11.2.1.3 the input of the TTE Instruction will, subject to the Liquidity Facility becoming unconditional, constitute the irrevocable appointment of any director of, or other person nominated by the Company as such Selling Shareholder's attorney and agent ("**attorney**"), and an irrevocable instruction to the attorney to complete and execute all or any contracts and/or any other documents or input any instructions into Euroclear at the attorney's discretion in relation to the Sale Shares for the purchase of such shares by an incoming investor and to deliver any documents or input any instructions into Euroclear relating to such Sale Shares, for registration and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the Liquidity Facility;

11.2.1.4 such Selling Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by such attorney and/or by the Company or any of its directors or any person nominated by the Company in the proper exercise of its or his or her powers and/or authorities hereunder;

11.2.1.5 such Selling Shareholder agrees to indemnify the agent/attorney in respect of any cost, loss, liability or expense which it incurs in the proper exercise of its powers conferred hereby;

11.2.1.6 the input of a TTE Instruction will constitute agreement by such Selling Shareholder that any purchase from that Selling Shareholder of Sale Shares by an incoming investor pursuant to Liquidity Facility will be subject to the rules of the London Stock Exchange; and

11.2.1.7 such Selling Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by the Company to be desirable to complete the purchase of the Sale Shares and/or to perfect any of the authorities expressed to be given hereunder.

Shareholders who do not wish to participate in the Liquidity Facility should not complete the Deed of Election and will not be required to make a TTE instruction.

12. FATCA and CRS Compliance

Each Qualifying Shareholder acknowledges that, if a Shareholder's failure to (a) provide information required for the Company to comply with its obligations under FATCA or the CRS or (b) consent to disclosure of information to the applicable tax authorities as required under FATCA or the CRS prevents the Company from complying with its obligations under FATCA or the CRS, then such Shareholder may be treated as a Non-Qualified Holder (as that term is defined in the Articles). If a Shareholder is a Non-Qualified Holder, the Board may, pursuant to Article 11.19 of the Articles, require such holder to either (i) provide the Board within thirty days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board that such person is not a Non-Qualified Holder; or (ii) to sell or transfer his or her shares to a person who is not a Non-Qualified Holder within thirty days and within such thirty days to provide the Board with satisfactory evidence of such sale or transfer.

These rights and this discretion of the Board in respect of compliance with FATCA and the CRS would only be exercised by the Company in accordance with Listing Principle 5, which requires that the Company must ensure that it treats all holders of the same class of its listed equity shares that are in the same position equally in respect of the rights attaching to such listed equity securities.

13. Miscellaneous

If the Sponsor, the Receiving Agent, the Company or any of their agents request any information about a prospective investor and/or its agreement to purchase Ordinary Shares under the Issue, such investor must promptly disclose it to them.

The rights and remedies of the Sponsor, the Receiving Agent and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if a prospective investor is a discretionary fund manager, that investor may be asked to disclose in writing or orally to the Sponsor, the jurisdiction in which its funds are managed or owned. All documents will be sent at the investor's risk. They may be sent by post to such investor at an address notified to the Sponsor.

Each investor agrees to be bound by the Articles (as amended from time to time) once the Ordinary Shares which the investor has agreed to acquire pursuant to the Placing have been acquired by the investor. The contract to acquire Ordinary Shares under the Placing and the appointments and authorities mentioned in the Prospectus will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Sponsor, the Company and the Receiving Agent, each investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of these matters. This does not prevent an action being taken against an investor in any other jurisdiction.

In the case of a joint agreement to acquire Ordinary Shares under the Placing, references to an "investor" in these terms and conditions are to each of the investors who are a party to that joint agreement and their liability is joint and several.

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

Costs and expenses of the Issue

The costs and expenses of the Proposed Transaction will be borne by the Company in full and are not expected to exceed 1.35 per cent. of the gross proceeds of the Firm Placing and Issue. The costs and expenses of the Proposed Transaction are variable based on the gross proceeds of the Firm Placing and Issue and such estimate is based on a Firm Placing and Issue size of 386.3 million New Ordinary Shares.

Arrangements with the Sponsor

The Sponsor and/or its respective affiliates may from time to time provide advisory or other services to the Company, the Investment Management Team or any of their respective affiliates. From time to time, the Sponsor and its respective affiliates may also engage in other transactions with the Company, the Investment Management Team and other funds managed or investment managed by the Investment Management Team or its affiliates in the ordinary course of their businesses, including, without limitation, transactions involving the purchase and sale of securities, loans and other investments, derivative transactions and other transactions (including, without limitation, providing leverage secured against investments).

Affiliates of the Sponsor may have acted, may currently act, and may in the future act in various capacities in relation to the Investment Management Team and the assets in which the Company invests or may invest, including as manager, servicer, security trustee, equity holder and/or secured lender to the issuer or affiliates of issuers connected to the assets in which the Company invests or may invest. Each such role would confer specific rights to and obligations on the Sponsor and/or its affiliates. In exercising these rights and discharging these obligations, the interests of the Sponsor and/or its affiliates may not be aligned with the interests of a potential investor in the Ordinary Shares.

Affiliates of the Sponsor may hold securities in the Company. Further, the Sponsor may hold securities in portfolio companies in which the Company invests (which securities may rank in priority to the Company's securities).

PART VIII – FINANCIAL INFORMATION AND REPORTS TO SHAREHOLDERS

Financial Information and Reports

The financial information regarding the Company has been incorporated in this document by reference.

Certain financial information regarding the Company has been incorporated by reference in, and form part of, this Prospectus. The documents containing the relevant financial information have been published on the Company's website and links to these documents are shown below.

Document	RNS website address
Annual Report and Financial Statements for year ended 31 March 2013	http://www.bacitltd.com/wp-content/uploads/BACIT-LIMITED-Annual-Accounts-March-2013-vFINAL1.pdf
Annual Report and Financial Statements for year ended 31 March 2014	http://www.bacitltd.com/wp-content/uploads/163903-BACIT-Annual-RA.pdf
Annual Report and Financial Statements for year ended 31 March 2015	http://www.bacitltd.com/wp-content/uploads/BACIT-LIMITED-CONSOLIDATED-Annual-Accounts-final-typesigned.pdf
Annual Report and Financial Statements for year ended 31 March 2016	http://www.bacitltd.com/wp-content/uploads/BACIT-LIMITED-CONSOLIDATED-Annual-Accounts-31.03.16-final-type-signed.pdf
Interim Report and Unaudited Financial Statements for six months ended 30 September 2016	http:/www.bacitltd.com/wp-content/uploads/BACIT-GROUP-INTERIM-Accounts-30-September-2016-vfinal-type-signed.pdf

Copies of the documents parts of which have been incorporated by reference in this Prospectus can be obtained, free of charge, upon request at the registered office of the Company: Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 4QL, Channel Islands.

To the extent that any document or information incorporated by reference or attached to this Prospectus itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this Prospectus for the purposes of the Prospectus Rules, except where such information or documents are stated within this Prospectus as specifically being incorporated by reference or where this Prospectus is specifically defined as including such information.

Where only part of a document is incorporated by reference into this Prospectus, those parts not so incorporated by reference are either not relevant for prospective investors or are covered elsewhere in this Prospectus.

Historical financial information incorporated by reference into the Prospectus

The table below identifies specific items of historical information relating to the Company for the period from its incorporation on 26 October 2012 to 30 September 2016 which are incorporated by reference in, and form part of, this Prospectus. The page numbers in the table below refer to the relevant pages of the relevant annual or interim report and accounts.

Name of information	Annual Report and Financial Statements for year ended 31 March 2013	Annual Report and Financial Statements for year ended 31 March 2014	Annual Report and Financial Statements for year ended 31 March 2015	Annual Report and Financial Statements for year ended 31 March 2016	Interim Report and Financial Statements for year ended 30 September 2016
Consolidated/condensed statement of financial position	28	38	39	45	18
Consolidated/condensed statement of comprehensive income	26	35	36	42	15
Consolidated/condensed statement of changes in equity	27	37	38	44	17
Consolidated/condensed statement of cash flows	29	39	40	46	19
Financial matters at fair value through profit or loss	28	38	39	45	18
Independent auditor's report	23	31	31	35	N/A
Notes to consolidated/condensed statements (including accounting policies)	30	40	41	47	20

Selected financial information

For the purposes of the historical financial information set out below and in this Part VIII "Group" shall mean the Company and the General Partner.

Set out in the table below is a summary of the Group's financial position for the period as at 30 September 2016 and 31 March 2016, 2015 and 2014, which has been extracted without material adjustment from the Company's annual report for the year ended 31 March 2014, the Company's annual report for the year ended 2015, the 2016 Report and the Company's interim report for the six months ended 30 September 2016 all incorporated herein by reference.

	30 September 2016 £'000	31 March 2016 £'000	31 March 2015 £'000	31 March 2014 £'000
ASSETS:				
Non-current assets				
Financial assets at fair value through profit or loss	485,865	472,294	479,151	434,823
Total non-current assets	485,865	472,294	479,151	434,823
Current assets				
Bank and cash deposits	320	41	23	76
Trade and other receivables	2,485	4,795	4,438	3,211
Total current assets	2,805	4,836	4,461	3,287
TOTAL ASSETS	488,670	477,130	483,612	438,110
LIABILITIES:				
Current liabilities				
Trade and other payables	2,587	4,885	4,548	3,260
Total current liabilities	2,587	4,885	4,548	3,260
TOTAL LIABILITIES	2,587	4,885	4,548	3,260
NET ASSETS	486,083	472,245	479,064	434,850
EQUITY				
Share capital	408,008	406,208	403,987	401,831
Distributable Reserves	78,075	66,037	75,077	33,019
TOTAL EQUITY	486,083	472,245	479,064	434,850
Number of Ordinary Shares in issue at period end	386,138,785	384,665,158	382,867,127	380,974,677
Net asset value per share	£1.26	£1.23	£1.25	£1.14

As at 30 September 2016 the Company's NAV was £486,083,000 and its NAV per share was £1.26.

Operating and financial review

The sections of the published interim report of the Company for the six months ended 30 September 2016 which appear on the pages specified in the table below are incorporated by reference in, and form part of, this Prospectus. These sections include descriptions of the Company's financial condition (in both capital and revenue terms), changes to its financial condition and details of its investment portfolio for those periods.

	Interim Report for six months ended 30 September 2016
Chairman's statement	Page 5
Investment Manager's report	Pages 6 to 10

Valuations, net asset calculations and critical accounting judgment

Net Asset Value

The Company's NAV per Share will continue to be calculated as at the last Business Day of each calendar month and is reported in Sterling to Shareholders through a RIS provider and on the Company's website: www.bacitltd.com.

The Administrator obtains a value for each of the Company's investments monthly in accordance with the Company's valuation policy. The Administrator, based upon the valuations supplied by the Fund Investment Management Team and taking into account the cash and other non-investment assets held by the Company and the accrued liabilities and expenses of the Company, calculates NAV per Share in Sterling.

The Company's existing valuation policy will be expanded, as described below, to take account of the Company's Life Science Investments.

Valuation Policy

Following the Issue, both the NAV per Share of each class of Shares of the Company in issue from time to time and the Net Asset Value will be calculated by the Administrator and reported to Shareholders on a monthly basis on the website of the Company's website at www.bacitltd.com.

Fund Investments

Investments in underlying funds – The Company's investments in underlying funds will ordinarily be valued using the values (whether final or estimated) as advised to BACIT UK by its managers, general partners or administrators of the relevant underlying fund. The Company or BACIT UK may depart from this policy where it is considered such valuation is inappropriate and may, at its discretion, permit any other method of valuation to be used if it considers that such method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with good accounting practice. In the event that a price or valuation estimate accepted by the Company or by BACIT UK in relation to an underlying fund subsequently proves to be incorrect or varies from the final published price, no retrospective adjustment to any previously announced Net Asset Value or Net Asset Value per Share will be made.

Marketable quoted securities – Any investments which are marketable securities quoted on an investment exchange will be valued at the relevant bid price at the close of business on the relevant date.

Cash and liquid assets – Cash and liquid assets will be valued at their face value, plus any interest accrued.

All calculations made by the Administrator for these purposes will be based, in significant part, on valuation information provided by the Company and BACIT UK or by the underlying funds in which the Company invests. The financial reports produced by certain funds in which the Company invests may be provided only on a quarterly or half yearly basis and issued up to four months after their respective valuation dates. Consequently, each reported NAV per Share of each class of shares in issue from time to time will contain information that may be out of date and require updating and completing. Shareholders should bear in mind that the actual NAV per Share may be materially different from any reported estimates.

Life Science Investments

Equity investments

The Company's investments in Life Science Investment companies will, in the case of quoted companies, be valued based on bid prices in an active market as at the reporting date.

In the case of the Company's investments in unlisted Life Science Investment companies, the fair value will be determined in accordance with the IPEVCV Guidelines. These include the use of recent arm's length transactions, 'DCF analysis and earnings multiples. Wherever possible, the Company will use valuation techniques which make maximum use of market-based inputs. Accordingly, the valuation methodology used most commonly by the Company will be the PRI or the 'milestone analysis' approach. The following considerations will be used when calculating the fair value of unlisted Life Science Investment companies:

1. Cost

   Where the Life Science Investment has been made recently it will be valued on a cost basis unless there is objective evidence that it has been impaired since that Life Science Investment was made, such as observable data suggesting a deterioration of the financial, technical, or

commercial performance of the underlying Life Science Investment or where the Company considers that cost is no longer relevant, the Company carries out an enhanced assessment based on comparable companies or transactions or milestone analysis.

2. PRI

The Company considers that fair value estimates, which are based entirely on observable market data, will be of greater reliability than those based on assumptions and, accordingly, where there has been any recent investment by third parties, the price of that investment will generally provide a basis of the valuation. The length of period for which it remains appropriate to use the price of recent investment depends on the specific circumstances of the investment and the stability of the external environment.

Initially many of the Company's Life Science Investments will be in seed, start-up or early stage Life Science Investment companies. There will often be no current and no short-term future earnings or positive cash flows and so it will be difficult for the Company or the Life Science Investment Management Team to estimate the probability and financial impact of the success or failure of the development of research activities and to make reliable cash flow forecasts. Consequently, the Company and the Life Science Investment Management Team may value Life Science Investment companies on a PRI basis where a Life Science Investment company has recently received investment from other third party investors. Where the Life Science Investment Management Team believes that it is no longer appropriate to value an investment on a PRI basis it will carry out a 'milestone' valuation analysis and adjust the PRI valuation based on its assessment of comparable companies or transactions at similar stages in the development cycle. In applying the milestone analysis to Life Science Investment companies in early or development stages, the Company seeks to determine whether there is an indication of change in fair value based on a consideration of performance against any milestones that were set at the time of the original investment decision, as well as taking into consideration the key market drivers of the investee company and the overall economic environment.

Where the Company considers that there is an indication that the fair value of a Life Science Investment has changed, an estimation will be made of the required amount of any adjustment from the last PRI. Wherever possible, this adjustment will be based on objective data from the investee company and the experience and judgement of the Company. However, any adjustment will be, by its very nature, subjective. Where a deterioration in value has occurred, the Company will reduce the carrying value of the Life Science Investment to reflect the estimated decrease. If there is evidence of value creation the Company may consider increasing the carrying value of the investment; however, in the absence of additional financing rounds or profit generation it may be difficult to determine the value that a purchaser may place on positive developments given the potential outcome and the costs and risks to achieving that outcome and accordingly caution is applied.

Factors that the Company will consider include, *inter alia*, technical measures such as product development phases, financial measures such as cash bum rate and profitability expectations, and market and sales measures such as regulatory approvals, product launches and market introduction.

3. Other valuation techniques

Where the Life Science Investment Management Team is unable to value a Life Science Investment on a cost or PRI basis, or there is objective evidence that a deterioration in fair value has occurred since a relevant transaction, then it will employ one of the alternative methodologies set out in the IPEVCV Guidelines such as DCF or price-earnings multiples. DCF involves estimating the fair value of a Life Science Investment company by calculating the present value of expected future cash flows, based on the most recent forecasts in respect of the underlying business. Given the difficulty involved with producing reliable cash flow forecasts for seed, start-up and early-stage companies, as described above, the DCF methodology will generally be used in the event that a Life Science Investment company is in the final stages of clinical testing prior to regulatory approval or has filed for regulatory approval. where other metrics are considered less reliable.

A price-earnings multiple methodology involves the calculation of a Life Science Investment company's earnings before interest and tax ("**EBIT**"), adjusted to a maintainable level. A suitable earnings multiple is derived from an equivalent business or group of businesses, for which the average price-earnings multiple for the relevant sector index can generally be

considered a suitable proxy. This multiple is applied to earnings to derive an enterprise value which is then discounted for non-marketability and other risks inherent to businesses in early stages of operation. This methodology will generally be used in the event that a Life Science Investment company has demonstrated that it has sustainable revenues.

Project investments

The nature of Life Science Investments projects is such that they are generally in early stage assets and accordingly observable market data is often not available.

1. Cost

   Where an investment in a Life Science Investment project has been made recently it will be valued on a cost basis unless there is objective evidence that it has been impaired since that Life Science Investment was made, such as observable data suggesting a deterioration of the financial, technical, or commercial performance of the underlying business.

2. PRI

   Where there has been a recent investment in a Life Science Investment project by third party investors the terms of that transaction will generally provide a basis of the valuation. The length of period for which it remains appropriate to use the terms of the recent transaction depends on the specific circumstances and terms of the transaction and the stability of the external environment.

3. Other valuation techniques

   Once a Life Science Investment project has been successfully tested in Phase 1 clinical trials the Company may consider that cost, unadjusted, is no longer relevant and the Company will carry out an enhanced assessment based on transactions related to comparable assets and milestone analysis. In applying the milestone analysis approach to Life Science Investment projects the Company will seek to determine whether there is an indication of change in fair value based on a consideration of performance against any milestones that were set at the time of the original investment decision, as well as taking into consideration the key market drivers of the Life Science Investment project and the overall economic environment.

Suspension of NAV

The Board may at any time temporarily suspend the calculation of the Net Asset Value attributable to the Shares of each class of shares in issue from time to time during:

(a) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Board, disposal or valuation of a substantial portion of the investments of the Company is not reasonably practicable without this being seriously detrimental to the interests of Shareholders or if, in the opinion of the Board, the Net Asset Value of the Company cannot be fairly calculated;

(b) any breakdown in the means of communication normally employed in determining the price of a substantial portion of the investments of the Company or when for any other reason the current prices of any of the investments of the Company cannot be promptly and accurately ascertained;

(c) any period during which any transfer of funds involved in the realisation or acquisition of investments of the Company cannot, in the opinion of the Board, be effected at normal prices or rates of exchange; or

(d) any period when the Board considers it to be in the best interests of the Company.

Shares will not be issued for the duration of the period of such suspension.

Details of each monthly valuation, and of any suspension in the making of such valuations, will be announced by the Company through an RIS provider as soon as practicable after the end of the relevant month.

PART IX – TAX CONSIDERATIONS

General

The statements on taxation referred to in this Part IX "*Tax Considerations*" of the Prospectus are for general information purposes only and are not intended to be a comprehensive summary of all technical aspects of the structure and are not intended to constitute legal or tax advice to potential investors.

The statements on taxation below are intended to be a general summary of certain tax consequences that may arise for prospective investors in relation to the Ordinary Shares (which may vary depending upon the particular individual circumstances and status of prospective investors), and a general guide to the tax treatment of the Company. These comments are based on the laws and practices as at the time of writing and may be subject to future revision. This discussion is not intended to constitute advice to any person and should not be so construed.

Each prospective Shareholder should consult their own tax advisers as to the possible tax consequences of buying, holding or selling Shares under the laws of their country of citizenship, residence or domicile or other jurisdictions in which they are subject to tax.

GUERNSEY

(i) The Company

The Company has applied for and been granted exemption from liability to income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 as amended by the Director of Income Tax in Guernsey for the current year. Exemption must be applied for annually and will be granted, subject to the payment of an annual fee, which is currently fixed at £1,200 per applicant, provided the applicant qualifies under the applicable legislation for exemption. It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it continues to qualify for exempt company status for the purposes of Guernsey taxation.

As an exempt company, the Company is and will be treated as if it were not resident in Guernsey for the purposes of liability to Guernsey income tax. Under current law and practice in Guernsey, the Company will only be liable to tax in Guernsey in respect of income arising or accruing in Guernsey, other than from a relevant bank deposit. Distributions made by exempt companies to non-Guernsey residents will be free of Guernsey withholding tax and reporting requirements. Where a tax exempt company makes a distribution to shareholders that are Guernsey tax resident individuals the company will only need to report the relevant details of those distributions.

In the absence of tax exempt status, the Company would be Guernsey tax resident and taxable at the Guernsey standard rate of company income tax of zero per cent.

Capital Taxes and Stamp Duty

Guernsey currently does not levy taxes upon capital, inheritances, capital gains (unless the varying of investments and the turning of such investments to account is a business or part of a business), gifts, sales or turnover.

No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of shares in the Company.

(ii) Shareholders

Guernsey taxation of shareholders

Shareholders not resident for tax purposes in Guernsey will not be subject to income tax in Guernsey in respect of dividends and other distributions (including scrip dividends which shall be included in references to "dividends" in the reminder of this section on Guernsey taxation) paid in respect of Ordinary Shares and will receive dividends without deduction of Guernsey income tax. Any Shareholders who are resident for tax purposes in Guernsey will be subject to income tax in Guernsey on any dividends and other distributions paid on Ordinary Shares owned by them but will suffer no deduction of tax by the Company from any such dividend payable by the Company whilst the Company maintains exempt status.

The Company is required to provide the Director of Income Tax in Guernsey with such particulars relating to any dividend or other distribution paid to Guernsey resident Shareholders as the Director of Income Tax may require, including the names and addresses of the Guernsey resident

Shareholders, the gross amount of any dividend or other distribution paid and the date of the payment.

The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in shares in the Company, with details of the interest.

Except as mentioned above, Shareholders are not subject to tax in Guernsey as a result of purchasing, owning or disposing of Ordinary Shares or either participating or choosing not to participate in a redemption of shares in the Company.

EU Savings Directive

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into bilateral agreements with Member States on the taxation of savings income. Paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any interest payment to individuals resident in the contracting Member States which falls within the scope of the EU Savings Directive as applied in Guernsey. However, paying agents located in Guernsey are not required to operate the measures on payments made by closed-ended investment companies, such as the Company.

On 10 November 2015 the Council of the European Union repealed the EU Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to ongoing requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates. This is to prevent overlap between the EU Savings Directive and the implementation of the Common Reporting Standard in the EU under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU).

Guernsey is in the process of seeking confirmation from each Member State that the repeal of the EU Savings Directive suspends the equivalent agreements that the Member States have with Guernsey. It is anticipated that all Member States, other than Austria, will give this confirmation. Discussions with Austria are ongoing and it may be that the equivalent agreement with Austria continues to have effect until 31 December 2016 (at which point the EU Savings Directive will cease to apply to Austria). Guernsey is also intending to suspend retroactively its domestic EU Savings Directive legislation with effect from 1 January 2016 (whilst retaining the relevant provisions to enable reports for 2015 to be made), although this process may be delayed pending the outcome of discussions with the Austrian authorities.

(iii) FATCA

US-Guernsey Intergovernmental Agreement

On 13 December 2013, the Chief Minister of Guernsey signed an intergovernmental agreement with the United States (''**US-Guernsey IGA**'') regarding the implementation of FATCA. Under FATCA and legislation enacted in Guernsey to implement the US-Guernsey IGA, the Company is required to report information about certain investors that are, or are entities controlled by one or more natural persons who are, US citizens or US residents, unless a relevant exemption applies. Where applicable, information that will need to be disclosed will include certain information about investors, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. If the Company does not comply with these obligations, it may be subject to a 30 per cent withholding tax with respect to certain payments to it of (a) US-source income, including interest and dividends, (b) beginning 1 January 2019, gross proceeds from the sale or other disposition of stock, securities and certain other assets that give rise to US-source income and (c) ''passthru payments'' (which payments have not been defined as of the Prospectus) beginning on the later of 1 January 2019 or the date such payments are defined in applicable US Treasury Regulations. The US-Guernsey IGA is implemented through Guernsey's domestic legislation in accordance with guidance that is currently published in draft form.

Under the US-Guernsey IGA, as well as Guernsey's implementation of that IGA, securities that are ''regularly traded'' on an established securities market, such as the main market of the London Stock Exchange, are not considered financial accounts and are not subject to reporting. For these purposes, Ordinary Shares will be considered ''regularly traded'' if there is a meaningful volume of trading with respect to the Ordinary Shares on an ongoing basis. Notwithstanding the foregoing, a Share will not be considered ''regularly traded'' and will be considered a financial account if the Shareholder is not a financial institution acting as an intermediary. Such Shareholders will be required to provide

information to the Company to allow it to satisfy its obligations under FATCA, although it is expected that whilst an Ordinary Share is held in uncertificated form through CREST, the holder of the Ordinary Share will likely be a financial institution acting as an intermediary. Shareholders that own Ordinary Shares through a financial intermediary may be required to provide information to such financial intermediary in order to allow the financial intermediary to satisfy its obligations under FATCA.

Common Reporting Standard

On 13 February 2014, the OECD released the "Common Reporting Standard" ("**CRS**") designed to create a global standard for the automatic exchange of financial account information, similar to the information to be reported under FATCA. On 29 October 2014, fifty-one jurisdictions signed the multilateral competent authority agreement ("**Multilateral Agreement**") that activates this automatic exchange of FATCA-like information in line with the CRS. Since then, additional jurisdictions have also signed the Multilateral Agreement and in total over 100 jurisdictions have committed to adopting the CRS. Over 50 of these jurisdictions have adopted the CRS with effect from 1 January 2016.

Early adopters who signed the Multilateral Agreement (including Guernsey) have pledged to work towards the first information exchanges taking place by September 2017. Others are expected to follow with information exchange starting in 2018.

Under the CRS and legislation enacted in Guernsey to implement the CRS with effect from 1 January 2016, certain disclosure requirements will be imposed in respect of certain investors that are, or are entities controlled by one or more natural persons who are, resident of any of the jurisdictions that have also implemented the CRS. Where applicable, information that would need to be disclosed will include certain information about investors, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The CRS is implemented through Guernsey's domestic legislation in accordance with guidance that is published in draft form and which is supplemented by guidance issued by the OECD.

Under the CRS, there is currently no reporting exemption for securities that are "regularly traded" on an established securities market, although it is expected that whilst an Ordinary Share is held in uncertificated form through CREST, the holder of such Ordinary Share will likely be a financial institution acting as an intermediary. Shareholders that own Ordinary Shares through a financial intermediary may be required to provide information to such financial intermediary in order to allow the financial intermediary to satisfy its obligations under the CRS.

All prospective investors should consult with their respective tax advisers regarding the possible implications of FATCA, the CRS and any other similar legislation and/or regulations on their investments in the Company. If a Shareholder fails to provide the Company with information that is required to allow it to comply with any of the above reporting requirements, or any similar reporting requirements, adverse consequences may apply.

If the Company fails to comply with any due diligence and/or reporting requirements under Guernsey legislation implementing the US-Guernsey IGA and/or the CRS then the Company could be subject to (in the case of the US-Guernsey IGA) US withholding tax on certain US source payments, and (in all cases) the imposition of financial penalties introduced pursuant to the relevant implementing regulations in Guernsey. Whilst the Company will seek to satisfy its obligations under the US-Guernsey IGA and the CRS and associated implementing legislation in Guernsey to avoid the imposition of any financial penalties under Guernsey law, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each investor and the direct and indirect beneficial owners of the investor (if any). There can be no assurance that the Company will be able to satisfy such obligations.

Request for Information

The Company reserves the right to request from any Shareholder such information as the Company deems necessary to comply with FATCA and the CRS, or any obligation arising under the implementation of any applicable intergovernmental agreement, including the US-Guernsey IGA and the Multilateral Agreement, relating to FATCA, the CRS or the automatic exchange of information with any relevant competent authority.

UNITED KINGDOM

The following statements do not constitute tax advice, are intended as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences

of holding Shares. Save as expressly noted, they are based on current UK legislation and what is understood to be the current practice of HMRC, which may change, possibly with retroactive effect. Except insofar as express reference is made to the treatment of non-UK tax residents, they apply only to Shareholders who are resident and domiciled (in the case of individuals) or resident (in the case of companies) for tax purposes in (and only in) the UK, who hold their Shares as an investment (other than under an individual savings account) and who are the absolute beneficial owners of both the Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring their Shares in connection with employment, dealers in securities, insurance companies, depositaries, clearance services and collective investment schemes) is not considered.

Shareholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are recommended to consult their own independent tax advisers.

General

The Directors have been advised that the Company should not be treated as resident in the UK for taxation purposes, on the basis that pursuant to section 363A of the Taxation (International and Other Provisions) Act 2010 the Company should be deemed not to be resident in the UK for UK tax purposes if, absent that section, the Company would otherwise be treated as UK resident. Accordingly, and provided that the Company does not carry on a trade in the UK (whether or not through a branch, agency or permanent establishment situated in the UK), the Company will not be subject to UK income tax or UK corporation tax other than by way of withholding on certain types of UK source income such as UK source interest.

Tax on disposal

On the basis of advice received, the Company considers that it should not be categorised as an ''offshore fund'' for the purposes of UK taxation and that the provisions of Part 8 of the Taxation (International and Other Provisions) Act 2010 (the ''**offshore funds rules**'') should not apply. Accordingly, gains realised by Shareholders on disposal of their Shares should not be subject to UK taxation as income. For Shareholders who are tax resident in the UK, such gains may, depending on the Shareholder's circumstances and subject as mentioned below, be liable to UK capital gains tax or UK corporation tax on chargeable gains, and relief may be available for any losses. Such Shareholders are, however, referred to the risk factor ''*Actions by the Company or changes in UK tax law or HMRC practice could lead to the Company being regarded as an ''offshore fund'' for UK tax purposes*'' in the Risk Factor section of this Prospectus in relation to the possible application of the offshore funds rules in the future.

For such individual Shareholders UK capital gains tax will be payable at the rate of 10 per cent. for basic rate tax payers) or 20 per cent. (for higher or additional rate taxpayers) on any chargable gain. Individual shareholders may benefit from certain reliefs and allowances (including a personal annual exemption, which presently exempts the first £11,100 of chargeable gain in a tax year from capital gains tax) depending on their circumstances.

For Shareholders that are within the charge to UK corporation tax on chargeable gains any chargeable gain will be subject to tax at the rate of 20 per cent. Such Shareholders may be able to benefit from indexation allowance which, in general terms, increases the base cost of an asset for the purposes of UK corporation tax on chargeable gains in accordance with the rise in the retail prices index.

A Shareholder who is not resident in the UK for UK taxation purposes is not subject to UK taxation on chargeable gains unless, in the case of a non-corporate Shareholder, he or she carries on a trade, profession or vocation in the UK through a branch or agency or, in the case of a corporate Shareholder, it carries on a trade in the UK through a permanent establishment and the assets disposed of are situated in the UK and are used or held for the purposes of the branch or agency or the permanent establishment (as the case may be) or are acquired for use by or for the purposes of that branch or agency or that permanent establishment (as the case may be).

A Shareholder who is an individual and who has ceased to be resident in the UK for taxation purposes for a period of less than five complete years of assessment and who disposes of Shares during that period may also be liable, on his or her return to the UK, to UK capital gains tax on that gain. Special rules apply to Shareholders who are subject to tax on a ''split-year'' basis, who should seek specific professional advice if they are in doubt about their position.

Ordinary Shares acquired pursuant to the Open Offer

Ordinary Shares and/or New Ordinary Shares acquired by Qualifying Shareholders pursuant to the Open Offer or under the Excess Application Facility are expected, for the purposes of UK taxation of chargeable gains ("**CGT**"), to be treated as acquired separately from their existing Ordinary Shares. Subject to specific rules for acquisitions within specified periods either side of disposal, Ordinary Shares held prior to the Open Offer and additional Ordinary Shares and/or New Ordinary Shares acquired under the Open Offer (including pursuant to the Excess Application Facility) will be treated as a single "pooled" asset, the base cost of which will be the aggregate of the amount paid for the additional Ordinary Shares and/or New Ordinary Shares and the base cost of the existing Ordinary Shares. Whilst open offers are, in accordance with published practice of HMRC, sometimes treated as qualifying for "reorganisation" treatment for CGT purposes, this treatment is not expected to apply where shareholders are being offered (potentially) both existing and newly issued Shares.

New Ordinary Shares acquired pursuant to the Placing

The acquisition of Ordinary Shares and/or New Ordinary Shares (and any Sale Shares sold by Selling Shareholders pursuant to the Liquidity Facility) under the Placing will not constitute a reorganisation of share capital for CGT purposes and, accordingly, any such Shares acquired pursuant to the Placing will be treated as acquired separately from any existing Ordinary Shares held, as described above in relation to the Open Offer.

Taxation of dividends on Shares

Dividend payments may be made without any deduction for or on account of UK tax.

UK resident individual Shareholders

With effect from April 2016 the income tax rules applicable to dividends changed. Dividend income no longer carries a UK tax credit, and instead new rates of tax apply. These include a nil rate of tax for the first £5,000 of dividend income in any tax year (the "**nil rate band**") and different rates of tax for dividend income that exceeds the nil rate band. For these purposes "dividend income" includes UK and non UK source dividends and certain other distributions in respect of shares.

Under the new rules, an individual Shareholder who is resident for tax purposes in the UK and who receives a dividend from the Company will not be liable to UK tax on the dividend to the extent that (taking account of any other dividend income received by the Shareholder in the same tax year) that dividend falls within the nil rate band.

To the extent that (taking account of any other dividend income received by the Shareholder in the same tax year) the dividend exceeds the nil rate band, it will be subject to income tax at 7.5% to the extent that it falls below the threshold for higher rate income tax. To the extent that (taking account of other dividend income received in the same tax year) it falls above the threshold for higher rate income tax then the dividend will be taxed at 32.5% to the extent that it is within the higher rate band, or 38.1% to the extent that it is within the additional rate band. For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder's income. In addition, dividends within the nil rate band which would otherwise have fallen within the basic or higher rate bands will use up those bands respectively and so will be taken into account in determining whether the threshold for higher rate or additional rate income tax is exceeded.

On the basis of case law, UK resident individual Shareholders should not be treated as receiving any income liable to UK income tax to the extent that they receive scrip shares instead of electing for a cash dividend on their Ordinary Shares. Nor should any such Shareholder be treated as making any disposal for capital gains tax purposes at the time the scrip shares are issued and allotted to them. Instead, the scrip shares and the original holding of Ordinary Shares (the "**Original Holding**") should be treated as a single holding acquired at the time of the Original Holding. There will be no allowable expenditure for UK capital gains tax purposes arising in respect of the scrip shares, and the allowable expenditure arising in respect of the Original Holding will be apportioned across the Original Holding and the scrip shares for the purposes of calculating any chargeable gain or allowable loss arising on any subsequent disposal of the scrip shares or the Original Holding.

UK resident corporate Shareholders

Unless the recipient is a "small company" (see below), dividends paid by the Company to a corporate Shareholder which is UK tax resident should fall within one or more of the classes of dividend

qualifying for exemption from UK corporation tax, although the relevant exemptions are not comprehensive and are also subject to anti-avoidance rules.

Shareholders within the charge to UK corporation tax which are ''small companies'' (as that term is defined in section 931S of the Corporation Tax Act 2009) will be liable to UK corporation tax on dividends paid to them by the Company because the Company is not resident in a ''qualifying territory'' for the purposes of the legislation contained in the Corporation Tax Act 2009.

Non-UK resident Shareholders

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

An individual UK Shareholder who has been resident for tax purposes in the UK but who ceases to be so resident or becomes treated as resident outside the UK for the purposes of a double tax treaty for a period of five years or less and who receives or becomes entitled to dividends from the Company during that period of temporary non-residence may, if the Company would (if UK resident) be treated as a close company for UK tax purposes and certain other conditions are met, be liable for income tax on those dividends on his or her return to the UK.

Stamp duty and stamp duty reserve tax ("SDRT")

No UK stamp duty, and no UK SDRT, will be payable on the issue of any New Ordinary Shares.

UK stamp duty (at the rate of 0.5 per cent., rounded up where necessary to the nearest £5 of the amount of consideration for the transfer) will in principle be payable on any instrument of transfer of the Shares which is executed in the UK or which ''relates to any matter or thing done or to be done'' in the UK, although in practice any such instrument will not require stamping in order for the register of Shares to be updated. Provided that the Shares are not registered in any register kept in the UK by or on behalf of the Company and that the Shares are not paired with Shares issued by a company incorporated in the UK, an agreement to transfer the Shares will not be subject to UK SDRT.

Other UK tax considerations

Transfer of assets abroad

The attention of individuals resident in the UK is drawn to the provisions of Chapter 2 (Transfer of Assets Abroad) of Part 13 of the Income Tax Act 2007, which seeks to prevent the avoidance of income tax in circumstances where an individual who is tax resident in the UK makes a transfer of assets abroad but retains the ability to enjoy the income arising from those assets. This could include the acquisition of shares in a non-UK incorporated company in which income accumulates undistributed, such that the income could be attributed to, and be taxed in the hands of the shareholder. This legislation should not apply where it can be demonstrated that, broadly, UK tax avoidance is not a purpose of the arrangement. Shareholders relying on this motive exemption are required to note this in their self-assessment return.

Controlled foreign companies

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

Other provisions

There are also other anti-avoidance provisions in UK tax legislation which may potentially affect shareholders in non-UK resident companies, and Shareholders should consult their professional advisers regarding the effect of UK tax anti-avoidance legislation in general. In particular, the attention of Shareholders is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances, a portion of the capital gains made by a non-UK resident company may be attributed to a UK resident who, alone or together with associated persons, has more than a 25 per cent. interest in the company.

ISAs, SSASs and SIPPs

Ordinary Shares will not be eligible to be acquired directly into an ISA pursuant to the Placing. Ordinary Shares acquired in the market should be eligible for inclusion in a stocks and shares ISA.

In addition, the Ordinary Shares in the Company will be eligible for inclusion in a Small Self-Administered Scheme ("**SSAS**") or a Self-Invested Personal Pension ("**SIPP**") subject to the discretion of the trustees of the SSAS or SIPP, as the case may be.

If you are in any doubt as to your tax position you should consult your professional adviser.

PART X – RESTRICTIONS ON SALES

This Prospectus has been approved by the UKLA as a prospectus which may be used to offer securities to the public for the purposes of section 85 of the FSMA and of the Prospectus Directive. Arrangements may also be made with the competent authority in certain member states of the EEA that have implemented the Prospectus Directive for the use of this Prospectus as an approved prospectus in such jurisdictions to make a public offer in such jurisdictions. Issue or circulation of this Prospectus may be prohibited in countries other than those in relation to which notices are given below. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful.

Notice to residents of the EEA

Subject to the country-specific selling restrictions in this Part X "*Restrictions on Sales*" of this Prospectus, in relation to each member state of the EEA that has implemented the Prospectus Directive (each, a "**Relevant Member State**") each purchaser of the Ordinary Shares acknowledges that an offer to the public of any Ordinary Shares may not be made in that Relevant Member State, other than an offer to the public of the Ordinary Shares in the United Kingdom once the Prospectus has been approved by the UK Listing Authority and is published and, in any other Relevant Member State, once the Prospectus has been passported and published in accordance with the Prospectus Directive as implemented in the Relevant Member State. However, an offer to the public in a Relevant Member State of any Ordinary Shares may be made at any time under the following exemptions under the Prospectus Directive, to the extent that they have been implemented in that Relevant Member State:

(a) to any legal entity which is a "qualified investor" as defined under the Prospectus Directive;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company or the sponsor of a prospectus pursuant to Article 3 of the Prospectus Directive or a supplemental prospectus pursuant to Article 16 of the Prospectus Directive.

In those Relevant Member States which have implemented the AIFM Directive, the Ordinary Shares may only be offered in that Relevant Member State to the extent that shares in the Company may be marketed in the Relevant Member State pursuant to Article 42 or Article 61 of the AIFM Directive or can otherwise be lawfully offered in that Relevant Member State in accordance with the AIFM Directive or under applicable implementing legislation (if any) of that Relevant Member State. Each person who initially acquires Ordinary Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with the Sponsor and the Company that, if that Relevant Member State has implemented the AIFM Directive, it is a person to whom the Ordinary Shares may lawfully be marketed or offered under the AIFM Directive or under the applicable implementing legislation (if any) of that Relevant Member State. See the Appendix for relevant AIFM Directive disclosure.

For the purposes of this provision, the expression an "**offer to the public**" in relation to any Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase any Ordinary Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Each member state of the EEA is adopting or has adopted legislation implementing the AIFM Directive into national law. Under the AIFM Directive, marketing to any investor domiciled or with

a registered office in the EEA will be restricted by such laws and no such marketing shall take place except as permitted by such laws.

Marketing of the Company for the purposes of the AIFM Directive by its AIFM will only take place in a EEA jurisdiction if the AIFM is appropriately registered (as required) under the AIFM Directive for such marketing or an investor from the relevant EEA jurisdiction has contacted the AIFM on a reverse-enquiry basis.

Guernsey

To the extent to which any promotion of the Ordinary Shares in the Company is deemed to take place in Guernsey, the Ordinary Shares are only being promoted in or from within Guernsey either (i) by persons licensed to do so under the POI Law or (ii) to persons licensed under the POI Law, the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended) or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended). Promotion is not being made in any other way.

PART XI – ADDITIONAL INFORMATION

1. Incorporation, administration and investment structure of the Company

1.1 The Company is a registered closed-ended collective investment scheme incorporated as a non-cellular company limited by shares in Guernsey under the Companies Law on 14 August 2012 with registered number 55514, having an unlimited life.

1.2 The registered office and principal place of business of the Company is PO Box 255, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 3QL, Channel Islands and the telephone number is +44 1481 745302.

1.3 The Company operates under the Companies Law and ordinances and regulations made thereunder. The Company does not currently have any employees.

1.4 The Company is regulated by the GFSC. The Company is not regulated by the FCA or an equivalent EU regulator.

1.5 The Company conducts its Fund Investment activities through the Limited Partnership, a Guernsey limited partnership, in which it is the sole limited partner. The general partner of the Limited Partnership is BACIT GP Limited which is a wholly-owned subsidiary of the Company. The Company will contribute or lend certain of the proceeds of the Issue (net of expenses and the Company's short term working capital requirements (if any)) to the Limited Partnership which will in turn make Fund Investments and hold assets in a manner consistent with the Investment Policy.

1.6 The Company will conduct its Life Science Investment activities through a non-cellular company limited by shares incorporated under the laws of Guernsey.

1.7 The Company will also use certain of the proceeds of the Issue as consideration for the acquisition of the Initial Life Science Portfolio.

2. Share capital of the Company

2.1 On incorporation, one Share was subscribed by the subscriber to the Memorandum of Incorporation. Upon incorporation, the Company was authorised to issue an unlimited number of Shares with or without par value.

2.2 By special resolution of the founder Shareholder of the Company, passed on 6 September 2016, amended and restated articles of incorporation were adopted, which set out the different classes of shares that may be issued by the Company and the rights and restrictions attaching to them. The unclassified shares may be issued as, amongst other things, an unlimited number of shares of no par value on such terms and conditions as the Directors may from time to time determine in accordance with the Articles and the Companies Law (which upon issue the Directors may classify as C Shares as shall be determined at the discretion of the Board).

2.3 The maximum issued share capital of the Company (all of which will be fully paid) immediately following Admission will be 772,441,765 Shares. The sole subscriber share issued by the Company on incorporation was redesignated (by special resolution of the founder Shareholder dated 28 September 2012) as a Deferred Share and transferred to The BACIT Foundation on 28 September 2012.

2.4 The Articles provide that the Company is not permitted to allot and issue equity securities (being shares or rights to subscribe for, or convert securities into, shares) or sell (for cash) any shares held in treasury, unless it shall first have made an offer to each person who holds equity securities of the same class to allot and issue to him on the same or more favourable terms a proportion of those securities that is as nearly as practicable equal to the proportion in number held by him of the share capital of the Company and the period for acceptance of such offer has expired or the Company has received notice of acceptance or refusal of every offer made. These pre-emption rights may be excluded or modified by special resolution of the shareholders.

2.5 The Firm Placing and the Placing are each conditional, *inter alia*, on approval by existing Shareholders. An extraordinary general meeting shall be held on 14 December 2016 (or at any adjournment thereof) to approve the Firm Placing and the Placing, to authorise the Directors to allot and issue the New Ordinary Shares and to disapply shareholder pre-emption rights in connection with the Firm Placing and the Placing.

2.6 As the Shares do not have a par value, the Offer Price per New Ordinary Share will consist solely of share premium and the amounts raised will be credited in the books of the Company as share capital in accordance with the Companies Law. In addition, there is one non-participating non-redeemable Deferred Share having the right to payment of £1 on the liquidation of the Company and carrying a right to vote only if there are no other classes of voting share of the Company in issue but no other rights.

3. The Limited Partnership and the General Partner

3.1 The Limited Partnership was registered on 27 September 2012 as a limited partnership with separate legal personality under The Limited Partnerships (Guernsey) Law, 1995, as amended, with the name BACIT Investments LP Incorporated and registered number 1754. The principal place of business of the Limited Partnership is at PO Box 255, Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL Channel Islands.

3.2 The Limited Partnership is governed by the limited partnership agreement dated 25 September 2012 and amended on 24 September 2013 between the General Partner as general partner and the Company as the sole limited partner (the "**Limited Partnership Agreement**").

3.3 The Limited Partnership Agreement provides that the Company is the sole limited partner of the Limited Partnership and that the General Partner is the sole general partner of the Limited Partnership. Pursuant to the Limited Partnership Agreement, the General Partner is entitled to an annual profit share equal to the aggregate of one-twelfth of one per cent. of the Net Asset Value as at each month-end during the relevant year. The General Partner uses the annual profit share to fund the Annual Donation as described elsewhere in this Prospectus.

3.4 The General Partner is a non-cellular company limited by shares incorporated in Guernsey under the Companies Law on 22 August 2012 with registered number 55549, having an unlimited life. The registered office and principal place of business of the General Partner is PO Box 255, Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL, Channel Islands and the telephone number is +44 1481 745001.

4. Memorandum of Incorporation and Articles of Incorporation of the Company

The Company's Memorandum of Incorporation does not limit the objects of the Company. The Memorandum of Incorporation is available for inspection at the Company's registered office and at the offices of Freshfields Bruckhaus Deringer LLP, 65 Fleet Street, London, EC4Y 1HS United Kingdom.

The Articles contain (amongst other things) provisions to the following effect:

Share capital

Subject to the Companies Law and other provisions of the Articles, the Board is authorised to issue an unlimited number of Shares of no par value each and an unlimited number of Shares with a par value as they see fit. Shares may be issued and designated as Ordinary Shares or C Shares or such other classes of Shares as the Board shall determine, in each case of such classes, and denominated in such currencies, as shall be determined at the discretion of the Board and the price per share at which Shares of each class shall first be offered to subscribers shall be fixed by the Board.

In addition to the Shares referred to in the paragraph above, there shall be issued one, non-participating, non-redeemable deferred Share having the right to payment of £1 thereon on the liquidation of the Company and carrying a right to vote only if there are no other classes of voting share of the Company in issue but no other rights (the "**Deferred Share**").

Share rights

Subject to the Articles and the terms and rights attaching to Shares already in issue, shares may be issued with or have attached such rights and restrictions as the Board may from time to time decide. Further the Board also has the power to determine on issue that any Shares are redeemable in accordance with the Articles and the Companies Law and may, with the approval of the relevant class of Shareholders convert any Shares already in issue into redeemable Shares.

Issue of Shares

Subject to the provisions of the Articles, the unallotted and unissued Shares of each class shall be at the disposal of the Board which may dispose of them to such persons, in such a manner and on such terms and conditions, and at such times as it determines. Without prejudice to the authority conferred

on the Directors pursuant to the Articles, the Directors are generally and unconditionally authorised to exercise all powers of the Company to allot and issue, grant rights to subscribe for, or to convert any securities into, an unlimited number of Shares in the Company. Where an authorisation to issue Shares or grant rights to subscribe for or to convert any security into Shares specifies and expires on any date, event or circumstance, the Directors may issue Shares or grant rights to subscribe for or to convert any security into Shares after the expiry of such authorisation if the Shares are issued or the rights are granted in pursuance of an offer or agreement made by the Company before the authorisation expired.

Pre-emption rights

Under the Articles, the Company is not allowed to allot or issue any shares, including treasury shares, of any class for cash unless it has first made an offer to each existing holder of the same class of shares on the same or more favourable terms and in proportion to their existing holdings. These provisions do not apply to shares issued as scrip dividends.

The pre-emptive offer must remain open for a minimum of 21 days and may not be withdrawn. If the offer is not accepted within this period it will be deemed to have been declined. After the expiration of the period, or if earlier, on receipt of acceptances or refusals from all Shareholders to whom the offer was made, the Board may aggregate and dispose of those shares that have not been taken up in such a manner as they determine is most beneficial to the Company.

Neither the Company nor the Board shall be obliged to extend the pre-emption rights to shareholders with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable.

The Company may disapply or modify pre-emption rights by extraordinary resolution.

Further, pre-emption rights do not apply to the allotment and issue of equity securities pursuant to the provisions for redesignation of C Shares as described in the section below headed "C Shares".

It is proposed that, as one of the Implementation Resolutions, the Company will amend its Articles such that pre-emption rights will not apply to issues of Ordinary Shares to satisfy awards under the LTIP.

Voting rights

Each Shareholder shall have one vote for each Share held by it. However, if that Share is not fully paid up then the Shareholder is not entitled to attend or vote at any general meeting or separate class meeting. Further, if the Shareholder fails to disclose his or her interest in the Shares within 14 days, in a case where the Shares in question represent at least 0.25 per cent. of the number of shares in issue of the class of shares concerned, and within 28 days, in any other case, of receiving notice requiring the same, then the Board may determine that the Shareholder may not attend or vote at any general meeting or separate class meeting. The Deferred Share shall carry the right to vote only if there are no other classes of voting shares of the Company in issue.

Where there are joint registered holders of any Share, such persons shall not have the right of voting individually in respect of that Share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the share register of the Company in respect of that Share shall alone be entitled to vote.

Each Shareholder of the Company shall be under an obligation to make notifications to the Company in accordance with the provisions of Chapter 5 of the Disclosure and Transparency Rules (as amended from time to time) of the FCA Handbook. If the Company determines that any Shareholder has not complied with such an obligation then it may, for such time as the Shareholder has not complied with its obligations: (i) suspend that Shareholder's votes at a general meeting; (ii) withhold any dividend or other distribution due to such Shareholder (without any obligation to pay interest) and (iii) prohibit the transfer of any Shares held by such Shareholder.

Dividends and other distributions

The Directors may from time to time authorise dividends and distributions to be paid to shareholders on a class by class basis in accordance with the procedure set out in the Companies Law and subject to any Shareholder's rights attaching to their Shares. The amount of such dividends or distributions paid in respect of one class may be different from that of another class.

All dividends and distributions declared in respect of a class of shares shall be apportioned among the holders of shares of such class *pro rata* to their respective holdings of such class.

All unclaimed dividends and distributions may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends or other distributions unclaimed on the earlier of (i) a period of seven years after the date when it first became due for payment and (ii) the date on which the Company is wound-up shall be forfeited and shall revert to the Company without the necessity for any declaration or other action on the part of the Company.

The Company may deduct from any dividend, distribution or other amount payable to any Shareholder any withholding or other tax attributable to that Shareholder.

Shares

Subject to certain exceptions, the Shares are freely transferable and Shareholders are entitled to participate (in accordance with the rights specified in the Articles) in the assets of the Company attributable to their Shares on a winding-up of the Company or a winding-up of the business of the Company. They are that the Board may refuse to register a transfer of any Share where such Share is not fully paid or over which the Company has a lien. Please also see the section headed ''Transfer of Shares'' below.

C Shares

The Directors may issue C Shares on the following terms.

The Directors may issue C Shares of such classes as they may determine, with C Shares of each such class being convertible into Ordinary Shares (for the purposes of this section being the ''**Converted Ordinary Shares**'').

The Directors shall, on the issue of C Shares, determine the Calculation Time and Conversion Time for such C Shares and shall be entitled to effect any amendments to the definition of Conversion Ratio attributable to such C Shares.

The holders of C Shares will be entitled to receive such dividends or other distributions as the Directors may resolve to pay to such holders out of the assets attributable to the C Shares (as determined by the Directors); (i) the Converted Ordinary Shares arising upon Conversion shall rank *pari passu* with all other Ordinary Shares for dividends and other distributions declared, made or paid by reference to a record date falling after the relevant Calculation Time and holders of the Converted Ordinary Shares shall receive all the rights accruing to the Ordinary Shares, including such number of votes per share of the Ordinary Shares as is designated to such shares in accordance with the Articles; (ii) no dividend or other distribution shall be made or paid by the Company on any of its shares between the Calculation Time and the Conversion Time (both dates inclusive) and no dividend shall be declared with a record date falling between the Calculation Time and the Conversion Time (both dates inclusive); and (iii) the capital and assets of the Company shall on a winding up or on a return of capital (other than by way of the repurchase or redemption of shares by the Company) prior, in each case, to Conversion being applied as follows: (A) the Ordinary Share Surplus shall be divided amongst the holders of Ordinary Shares *pro rata* to their holdings of Ordinary Shares as if the Ordinary Share Surplus comprised the assets of the Company available for distribution; and (B) the C Share Surplus attributable to the C Shares shall be divided amongst the C Shareholders of such class *pro rata* according to their holdings of C Shares of that class.

The C Shares shall be transferable in the same manner as the Ordinary Shares.

A Shareholder may transfer all or any of his or her Shares in any manner which is permitted by the Companies Law or in any other manner which is from time to time approved by the Board. The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any Share which is not fully paid or on which the Company has a lien provided that, in the case of a Share, this would not prevent dealings in the Shares of that class from taking place on an open and proper basis on the London Stock Exchange.

In addition, the Board may refuse to register a transfer of C Shares if (i) in the case of Certificated Shares (a) it is in respect of more than one class of Shares, (b) it is in favour of more than four joint transferees or (c) it is delivered for registration to the registered office of the Company or such other place as the Board may decide and is not accompanied by the certificate for the Shares to which it relates and such other evidence of title as the Board may reasonably require and (ii) the transfer is in favour of any person, as determined by the Directors, to whom a sale or transfer of C Shares, or in relation to whom the sale or transfer of a direct or beneficial holding of Shares, would or might

result in (x) the Company being required to register as an investment company under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"), (y) benefit plan investors ("**Plan Investors**") (as defined in Section 3(42) of U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) acquiring an aggregate interest exceeding 25 per cent. of the value of any equity class in the Company or (z) the assets of the Company being deemed to be assets of a Plan Investor.

Information regarding pre-emption rights attached to the C Shares and Ordinary Shares can be found in the section above headed "Pre-emption rights".

The C Shares shall carry the right to receive notice of and attend and vote at any general meeting of the Company or any class meeting of C Shares. The Directors do not intend to issue the C Shares with any special rights, restrictions or prohibitions as regarding voting attached.

The C Shares are issued on the terms that they shall be redeemable by the Company.

Until Conversion the consent of the holders of C Shares as a class irrespective of whichever class of C Share they may hold shall be required for, and accordingly any special rights attached to any class of the C Shares shall be deemed to be varied, *inter alia*, by any alteration to the memorandum of incorporation of the Company or the Articles or the passing of any resolution to wind up the Company.

Until Conversion and without prejudice to its obligations under the Companies Law, the Company shall in relation to the C Shares establish a separate Class Account for the C Shares in accordance with the Articles and, subject thereto: (i) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the C Shares can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares; (ii) allocate to the assets attributable to the C Shares such proportion of the income, expenses or liabilities of the Company incurred or accrued between the Issue Date and the Calculation Time (both dates inclusive) as the Directors fairly consider to be attributable to the C Shares including, without prejudice to the generality of the foregoing, those liabilities specifically identified in the definition of "Conversion Ratio" below; and (iii) give appropriate instructions to the investment manager to manage the Company's assets so that such undertakings can be complied with by the Company.

In the event of the insolvency of the Company, a distinction will not be made between the assets attributable to the C Shares and the assets attributable to the Ordinary Shares.

The C Shares shall be converted into Converted Ordinary Shares at the Conversion Time as described below. The Conversion Time may occur no later than 20 business days after the Calculation Time. For this reason, the Conversion Ratio may be based on valuations dated up to 20 business days before the Conversion Time.

The Directors shall procure that within twenty Business Days after the Calculation Time: (i) the Administrator or, failing which, an independent accountant selected for the purpose by the Board, shall be requested to calculate the Conversion Ratio as at the Calculation Time and the number of Converted Ordinary Shares to which each holder of C Shares shall be entitled on Conversion; and (ii) the Auditor may, if the Directors consider it appropriate, be requested to certify whether such calculations have been performed in accordance with the Articles and are arithmetically accurate, whereupon, subject to the proviso in the definition of "Conversion Ratio", such calculations shall become final and binding on the Company and all Shareholders. If the Auditor is unable to confirm the calculations of the Administrator or independent accountant, as described above, the Conversion shall not proceed.

The Directors shall procure that, as soon as practicable, and following its determination or certification (as the case may be), an announcement through an RIS provider is made advising holders of C Shares of the Conversion Time, the Conversion Ratio and the aggregate numbers of Converted Ordinary Shares to which holders of C Shares are entitled on Conversion.

Conversion of the C Shares shall take place at the Conversion Time designated by the Directors for the C Shares. On Conversion the issued C Shares shall automatically convert (by redesignation or sub-division or consolidation, or a combination thereof, or otherwise as appropriate) into such number of Converted Ordinary Shares as equals the aggregate number of C Shares in issue at the Calculation Time multiplied by the Conversion Ratio (rounded down to the nearest whole Ordinary

Share) and if, as a result of the Conversion, the Shareholder concerned is entitled to: (i) more Converted Ordinary Shares than the number of original C Shares of the relevant class, additional Converted Ordinary Shares shall be allotted and issued accordingly; or (ii) fewer Converted Ordinary Shares than the number of original C Shares of the relevant class, the appropriate number of original C Shares shall be cancelled accordingly.

Notwithstanding the procedure described above, conversion of the original C Shares may be effected in such other manner permitted by applicable legislation as the Directors shall from time to time determine.

The Converted Ordinary Shares arising upon Conversion shall be divided amongst the former holders of the C Shares *pro rata* according to their respective former holdings of the C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to the Converted Ordinary Shares, including, without prejudice to the generality of the foregoing, selling or redeeming any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is authorised as agent on behalf of the former holders of C Shares to do any other act or thing as may be required to give effect to the same including, in the case of a share in Certificated Form, to execute any stock transfer form and, in the case of a share in Uncertificated Form, to give directions to or on behalf of the former holder of C Shares who shall be bound by them.

Forthwith upon Conversion, any certificates relating to C Shares shall be cancelled, the Register shall be updated and the Company shall issue to each such former holder of C Shares new certificates in respect of the shares which have arisen upon Conversion, unless such former holder of C Shares elects to hold such shares in Uncertificated Form, and the Register shall be updated accordingly.

The Company will use its reasonable endeavours to procure that, upon Conversion, the Converted Ordinary Shares are admitted to trading on the London Stock Exchange's main market for listed securities.

Definitions

The following definitions are only relevant for the purposes of the foregoing:

"**Calculation Time**" means the earliest of:

(a) the close of business on the last Business Day prior to the day on which Force Majeure Circumstances (as defined below) have arisen or the Directors resolve that they are in contemplation;

(b) the close of business on such date as the Directors may decide is necessary to enable the Company to comply with its obligations in respect of Conversion of C Shares;

(c) the close of business on the back stop date (being a date specified by the Directors) for the C Shares; and

(d) the close of business on such date as the Directors may determine, in the event that the Directors, in their discretion, resolve that at least 90 per cent. of the assets attributable to the relevant class of C shares (or such other percentage as the Directors may decide as part of the terms of issue of the relevant class of C Shares, as determined by the Directors) have been invested in accordance with the Investment Policy.

"**C Shares**" means redeemable convertible ordinary shares of no par value in the capital of the Company issued and designated as a C Share of such class, denominated in such currency, and convertible into such Converted Ordinary Shares, as may be determined by the Directors at the time of issue;

"**C Share Surplus**" means, in relation to the C Shares, the net assets of the Company attributable to the C Shares (as determined by the Directors) at the date of winding up or other return of capital;

"**Conversion**" means, in relation to any C Shares, conversion of those C Shares as described above;

"**Conversion Ratio**" means, in relation to the C Shares, A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:

$$A = \frac{C - D}{E}$$

and

$$B = \frac{F - G}{H}$$

and where:

C is the aggregate value of all assets and investments of the Company attributable to the C Shares (as determined by the Directors) at the relevant Calculation Time calculated in accordance with the accounting principles adopted by the Directors from time to time;

D is the amount which (to the extent not otherwise deducted in the calculation of C) in the Directors' opinion fairly reflects at the relevant Calculation Time the amount of the liabilities and expenses of the Company attributable to the C Shares (as determined by the Directors);

E is the number of the C Shares in issue as at the relevant Calculation Time;

F is the aggregate value of all assets and investments attributable to the Ordinary Shares (as determined by the Directors) at the relevant Calculation Time calculated in accordance with the accounting principles adopted by the Directors from time to time;

G is the amount which, (to the extent not otherwise deducted in the calculation of F) in the Directors' opinion, fairly reflects at the relevant Calculation Time the amount of the liabilities and expenses of the Company attributable to the Ordinary Shares; and

H is the number of Ordinary Shares in issue as at the relevant Calculation Time;

Provided always that:

(a) the Directors shall be entitled to make such adjustments to the value or amount of A and/or B as they believe to be appropriate having regard to, among other things, the assets of the Company immediately prior to the Issue Date or the Calculation Time or to the reasons for the issue of the relevant C Shares of the relevant class;

(b) in relation to any C Shares, the Directors may amend the definition of Conversion Ratio;

(c) where valuations are to be made as at the Calculation Time and the Calculation Time is not a Business Day, the Directors shall apply the provisions of this definition as if the Calculation Time were the preceding Business Day;

(d) where the admission of C Shares takes place not later than 10 Business Days after a NAV Calculation Date, the Directors may in their absolute discretion substitute for C above (and for any other valuation of the investments attributable to the C Shares used in calculating the Conversion Ratio) the gross proceeds of the issue of the C Shares or, where the costs and expenses of such issue are not taken into account in calculating D above (or for any other valuation of the liabilities and expenses attributable to the C Shares in calculating the Conversion Ratio), the net proceeds and the C Shares shall be deemed to have been in issue at the Calculation Time.

"**Conversion Time**" means, in relation to the C Shares, a time following the Calculation Time, being the opening of business in London on such Business Day as may be selected by the Directors and falling not more than 20 Business Days after the Calculation Time;

"**Converted Ordinary Shares**" means the Ordinary Shares arising upon the Conversion of C Shares;

"**Force Majeure Circumstances"** means:

(a) any political or economic circumstances or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable;

(b) the issue of any proceedings challenging, or seeking to challenge, the power of the Company or its Directors to issue the C Shares with the rights proposed to be attached to them or to the persons to whom they are, or the terms on which they are, proposed to be issued; or

(c) the convening of any general meeting of the Company at which a resolution is to be proposed to wind up the Company.

"**Issue Date**" means the date on which the admission of such C Shares to trading on the London Stock Exchange's main market for listed securities becomes effective or, if later, the day on which the Company receives the net proceeds of the issue of the C Shares;

"**Ordinary Share Surplus**" means the net assets of the Company attributable to the Ordinary Shares (as determined by the Directors) at the date of winding up or other return of capital; and

References to "**C Shareholders**" shall be construed as references to holders for the time being of C Shares, or, if there is more than one class of C Shares in issue at the relevant time, C Shares of the relevant class.

References to the auditors certifying any matter shall be construed to mean issuance of a report of factual findings on the performance of certain agreed-upon procedures.

Winding-up

Subject to the rights of the Deferred Share, on a winding-up the surplus assets remaining after payment of all creditors shall be divided amongst the classes of shares then in issue (if more than one) in the same proportions as capital is attributable to them at the relevant winding-up date as calculated by the Directors or the liquidator in their discretion and, within each such class, such assets shall be divided equally among the holders of shares of the relevant class in proportion to the number of Shares of the relevant class held at the commencement of the winding-up, subject in any such case to the rights of any Shares which may be issued with special rights or privileges.

Determination of NAV

A description of the policy which the Company adopts in valuing its net assets is set out in Part VIII "*Financial Information and Reports to Shareholders*" of this Prospectus.

Variation of rights

If at any time the shares of the Company are divided into different classes, all or any of the rights at the relevant time attached to any share or class of shares (whether or not the Company may be in liquidation) may be varied or abrogated in such manner (if any) as may be provided by those rights or, in the absence of such provision, either with the consent in writing of the holders of more than half of the issued Shares of that class or with the sanction of an ordinary resolution passed at a separate general meeting of the holders of the Shares of that class. The quorum at such meeting (other than an adjourned meeting where the quorum shall be one holder entitled to vote and present in person or by proxy) shall be two persons holding or representing by proxy at least one-third in value of the issued Shares (excluding any Shares of that class held as treasury shares) of the class in question.

The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of issue of the Shares of that class) be deemed to be varied by (i) the creation or issue of further Shares ranking as regards the profits or assets of the Company in some or all respects *pari passu* with them but in no respect in priority to them or (ii) the purchase or redemption by the Company of any of its own Shares (or the holding of such Shares as treasury Shares).

Transfer of Shares

Subject to the Articles (and the restrictions on transfer contained therein) and the terms of issue of the Shares, a Shareholder may transfer all or any of his or her Shares in any manner which is permitted by the Companies Law or in any other manner which is from time to time approved by the Board.

A transfer of a Certificated Share shall be in the usual common form or in any other form approved by the Board. An instrument of transfer of a Certificated Share shall be signed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee.

Subject to the Articles (and the restrictions on ownership contained therein), a Shareholder may transfer an Uncertificated Share by means of a relevant system authorised by the Board or in any other manner which may from time to time be approved by the Board.

The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any Share in Certificated Form or Uncertificated Form (subject to the Articles) which is not fully paid or on which the Company has a lien provided that, in the case of a Share, this would not

prevent dealings in the Shares of that class from taking place on an open and proper basis on the London Stock Exchange.

In addition, the Board may refuse to register a transfer of Shares if (i) in the case of Certificated Shares (a) it is in respect of more than one class of Shares, (b) it is in favour of more than four joint transferees or (c) it is delivered for registration to the registered office of the Company or such other place as the Board may decide and is not accompanied by the certificate for the Shares to which it relates and such other evidence of title as the Board may reasonably require and (ii) the transfer is in favour of any person, as determined by the Directors, to whom a sale or transfer of Shares, or in relation to whom the sale or transfer of a direct or beneficial holding of Shares, would or might result in (x) the Company being required to register as an investment company under the Investment Company Act, (y) benefit plan investors (''**Plan Investors**'') (as defined in Section 3(42) of ERISA) acquiring an aggregate interest exceeding 25 per cent. of the value of any equity class in the Company or (z) the assets of the Company being deemed to be assets of a Plan Investor

The Board has the power: to require the sale or transfer of Shares in certain circumstances. Such power may be exercised to prevent (i) the Company from being in violation of, or required to register under, the Investment Company Act or being required to register the Shares under the Security Act or the Securities Exchange Act (including in order to maintain the status of the Company as a ''foreign private issuer'' for the purposes of those Acts); (ii) any member of the Group being in violation of, or required to register under or report pursuant to, the Advisers Act; (iii) the assets of the Company from being deemed to be assets of an employee benefit plan within the meaning of ERISA or of a plan within the meaning of Section 4975 of the Code; (iv) any member of the Group from being in violation of, or required to register under, the CEA; and (v) any member of the Group from having compliance obligations under, or from being in violation of, the Hiring Incentive for Restoring Employment Act of 2010 (which incorporates the anti-avoidance revenue provisions contained in FATCA) or otherwise not being in compliance with the Investment Company Act, ERISA, the CEA, FATCA or the Code.

The Board may decline to register a transfer of an Uncertificated Share which is traded through an Uncertificated System subject to and in accordance with the Regulations and the rules of any Uncertificated System where, in the case of a transfer to joint holders, the number of joint holders to whom Uncertificated Shares is to be transferred exceeds four.

Discontinuation vote

The Articles currently provide that Shareholders will be entitled to vote on the discontinuation of the Company every five years, starting with the annual general meeting in 2017 and at every fifth annual general meeting thereafter. The vote will require more than 50 per cent. of the votes cast on the resolution to be in favour to require the Directors to formulate proposals, to be put to Shareholders for the reorganisation or reconstruction of the Company.

It is proposed that, as one of the Implementation Resolutions, the Articles will be amended so as to remove the provision for the discontinuation vote.

General meetings

Subject to the Companies Law, an annual general meeting shall be held at least once in each calendar year and in any event, no more than 15 months since the last annual general meeting. All general meetings (other than annual general meetings) shall be called extraordinary general meetings. Extraordinary general meetings and annual general meetings shall be held in Guernsey or such other place as may be determined by the Board from time to time.

The notice of meeting must specify the date, time and place of any general meeting and the text of any proposed resolutions as required by the Companies Law.

The Shareholders may require the Board to call an extraordinary general meeting in accordance with the Companies Law.

Directors

Unless otherwise determined by the Shareholders by ordinary resolution, the number of Directors shall not be less than two and there shall be no maximum number.

A Director need not be a Shareholder. A Director who is not a Shareholder shall nevertheless be entitled to attend and speak at Shareholders' meetings.

Subject to the Articles, a person may be appointed as a Director by the Board (either to fill a vacancy or as an additional Director). No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless not less than seven and not more than 42 clear days before the date appointed for the meeting there shall have been left at the Company's registered office (or, if a relevant electronic address or another electronic address has been specified by the Company for such purposes, sent to the Company's relevant electronic address or other electronic address) notice in writing signed by a Shareholder who is duly qualified to attend and vote at the meeting for which such notice is given of his or her intention to propose such person for election together with notice in writing signed by that person of his or her willingness to be elected and containing a declaration that he or she is not ineligible to be a Director in accordance with the Companies Law.

No person shall be or become incapable of being appointed a Director, and no Director shall be required to vacate that office, by reason only of the fact that he or she has attained the age of 70 years or any other age.

Subject to the Articles, at each annual general meeting of the Company, all the Directors at the date of the notice convening the annual general meeting shall retire from office and each Director may offer himself or herself for election or re-election by the Shareholders.

A Director who retires at an annual general meeting may, if willing to continue to act, be elected or re-elected at that meeting. If he or she is elected or re-elected he or she is treated as continuing in office throughout. If he or she is not elected or re-elected, he or she shall remain in office until the end of the meeting or (if earlier) when a resolution is passed to appoint someone in his or her place or when a resolution to elect or re-elect the Director is put to the meeting and lost.

The office of a Director shall be vacated:

(a) if he or she (not being a person holding an executive office which is for a fixed term subject to termination if he or she ceases for any cause to be a Director) resigns his or her office by one month's written notice signed by him or her sent to or deposited at the Company's registered office;

(b) if he or she dies;

(c) if the Company requests that he or she resigns his or her office by giving one month's written notice;

(d) if he or she absents himself or herself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of 12 months and the Board resolves that his or her office shall be vacated;

(e) if he or she becomes bankrupt or makes any arrangements or composition with his or her creditors generally;

(f) if he or she ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under the provisions of any law or enactment;

(g) if he or she is removed by resolution of the Directors in writing signed by his or her co-Directors (being not less than two in number) provided that, until the date of such written resolution, his or her acts as a Director shall be effectual as if his or her office were not vacated;

(h) if the Company by ordinary resolution shall declare that he or she shall cease to be a Director; or

(j) if he or she becomes ineligible to be a Director in accordance with the Companies Law.

Any Director may, by notice in writing, appoint any other person (subject to the provisions set out below), who is willing to act as his or her alternate and may remove that other person from that office.

Every appointment or removal of an alternate Director shall be by notice in writing signed by the appointor and served upon the Company.

Proceedings of the Board

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two. Subject to the Articles, a meeting of the Board at which a

quorum is present shall be competent to exercise all the powers and discretion exercisable by the Board.

The Board may elect one of their number as chairman. If no chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

Questions arising at any meeting shall be determined by a majority of votes. In the case of a tie, the Chairman shall have a casting vote.

The Board may delegate any of its powers to committees consisting of one or more Directors as it thinks fit. Any committee so formed shall be governed by any regulations that may be imposed on it by the Board and (subject to such regulations) by the provisions of the Articles that apply to meetings of the Board.

Remuneration of Directors

The Directors, other than any alternate Director, shall be entitled to receive fees for their services as Directors. Those fees for all the Board collectively shall not exceed £500,000 in any financial year in aggregate (or such larger sum as the Company may, by ordinary resolution, determine). Any fee payable in this manner shall be distinct from any salary, remuneration or other amounts payable to a Director under other provisions of the Articles and shall accrue from day to day.

The Board may grant reasonable additional remuneration to any Director who performs any special or extra services to, or at the request of, the Company. Further, the Directors shall be paid all reasonable travelling, hotel and other expenses properly incurred by them in and about the performance of their duties.

Pensions and gratuities for Directors

The Board may pay gratuities, pensions or other retirement, superannuation, death or disability benefits to any Director or former Director.

Permitted interests of Directors

Subject to the provisions of the Companies Law, and provided that he or she has disclosed to the other Directors in accordance with the Companies Law the nature and extent of any material interest of his or hers, a Director, notwithstanding his or her office:

(a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company, or in which the Company is otherwise interested;

(b) may act for the Company by himself or herself or through his or her firm in a professional capacity (otherwise than as auditor) and he or she or his or her firm shall be entitled to remuneration for professional services as if he or she were not a Director;

(c) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, a shareholder of or otherwise directly or indirectly interested in, any body corporate promoted by the Company, or with which the Company has entered into any transaction, arrangement or agreement or in which the Company is otherwise interested; and

(d) shall not by reason of his or her office be accountable to the Company for any benefit which he or she derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

For the purposes of the Articles:

(a) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and

(b) an interest of which a Director is unaware shall not be treated as an interest of his or hers.

A Director shall be counted in the quorum at any meeting in relation to any resolution in respect of which he or she has declared an interest but he or she may not vote thereon.

A Director may continue to be or become a director, managing director, manager or other officer, employee or member of any company promoted by the Company or in which the Company may be interested or with which the Company has entered into any transaction, arrangement or agreement, and no such Director shall be accountable for any remuneration or other benefits received by him or

her as a director, managing director, manager, or other officer or member of any such other company.

Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, managers or other officers of such company, or voting or providing for the payment of remuneration to the directors, managing directors, managers or other officers of such company).

Any Director who, by virtue of office held or employment with any other body corporate, may from time to time receive information that is confidential to that other body corporate (or in respect of which he or she owes duties of secrecy or confidentiality to that other body corporate) shall be under no duty to the Company by reason of his or her being a Director to pass such information to the Company or to use that information for the benefit of the Company, in either case where the same would amount to breach of confidence or other duty owed to that other body corporate.

Borrowing powers

The Board may exercise the powers of the Company to incur leverage for the purpose of financing Share repurchases or redemptions, making investments, or satisfying working capital requirements, or to assist in payment of the Annual Donation. Borrowings of the Company may not exceed 20 per cent. of Net Asset Value as at the time of the borrowing, unless approved by the Company by an ordinary resolution. Currently, the Board does not intend that the Company will incur any borrowings.

Indemnity of Directors and other officers

Subject to applicable law, the Company may indemnify any Director or a Director who has been appointed as a director of any subsidiary undertaking against any liability except such (if any) as he or she shall incur by or through his or her own default, breach of trust or breach of duty in relation to the Company or negligence and may purchase and maintain insurance against any liability for any Director or a Director who has been appointed as a director of any subsidiary undertaking.

Untraced Shareholders

The Company may sell any Share of a Shareholder, or any Share to which a person is entitled by transmission or death or bankruptcy, at the best price reasonably obtainable, if:

(a) for a period of 12 years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Shareholder or to the person entitled to the Share at his or her address in the Company's register of Shareholders or otherwise the 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 so entitled, provided that in such a 12 year period the Company has paid out at least three interim or final dividends;

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

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

(d) if any part of the share capital of the Company is quoted on any stock exchange, the Company has given notice in writing to the quotations department of such stock exchange of its intention to sell such Shares.

Disclosure of ownership

The Board shall have power by notice in writing to require any Shareholder to disclose to the Company the identity of any person other than the Shareholder who has any interest (whether direct or indirect) in the Shares held by the Shareholder and the nature of such interest or who has been so interested at any time during the three years immediately preceding the date on which the notice is issued. For these purposes, a person shall be treated as having an interest in Shares if they have any interest in them whatsoever, including but not limited to any interest acquired by any person as a result of:

(a) entering into a contract to acquire them;

(b) not being the registered holder, being entitled to exercise, or control the exercise of, any right conferred by the holding of the Shares;

(c) having the right to call for delivery of the Shares; or

(d) having the right to acquire an interest in Shares or having the obligation to acquire such an interest.

The Articles provide that, where an addressee of such a notice fails to give the Company the information required by the notice within the time specified in the notice, the Company may deliver a further notice on the Shareholder holding the Shares in relation to which the default has occurred imposing restrictions on those Shares. The restrictions may prevent the Shareholder holding the Shares from attending and voting at a meeting (including by proxy) and, where the Default Shares represent at least 0.25 per cent. of any class of shares concerned, any dividend or other amount payable shall be retained by the Company in respect of such Shares, the Shareholder may not be able to convert its Shares and, save in certain circumstances, no transfer of such Shares shall be approved for registration.

In addition to the right of the Board to serve notice on any Shareholder pursuant to the provisions of the Articles, the Board may serve notice on any Shareholder requiring that Shareholder to promptly provide the Company with any information, representations, certificates or forms relating to such Shareholder (or its direct or indirect owners or account holders) that the Board determines from time to time are necessary or appropriate for the Company to:

(a) satisfy any account or payee identification, documentation or other diligence requirements and any reporting requirements imposed under FATCA; or

(b) avoid or reduce any tax otherwise imposed by FATCA (including any withholding upon any payments to such Shareholder by the Company); or

(c) permit the Company to enter into, comply with, or prevent a default under or termination of, an agreement of the type described in section 1471(b) of the US Internal Revenue Code of 1986 (or any analogous agreement in another jurisdiction).

If any Shareholder (a "**Defaulting Member**") is in default of supplying to the Company the information referred to above within the prescribed period (which shall not be less than 28 days after the service of the notice), the continued holding of shares in the Company by the Defaulting Member shall be deemed to cause the Company and/or its Shareholders a pecuniary or tax disadvantage and as such the Defaulting Member shall be a Non-Qualified Holder. The Board shall be entitled to require such Non-Qualified Holder by notice in writing to sell or transfer his shares to a person who is not a Non-Qualified Holder within 30 days of such notice and if such sale does not take place within such 30 day period the Board may then exercise its other discretions in accordance with the provisions of the Articles in respect of that Non-Qualified Holder.

The Company or its agents shall, if required to do so under the legislation of any jurisdiction to which any of them are subject, be entitled to release or disclose any information in their possession regarding the Company or its affairs or any of its Shareholders (or their direct or indirect owners or account holders), including without limitation information required under FATCA.

Investment Policy

If the Implementation Resolutions are passed and the Discontinuation Vote is not passed the Company will amend its Articles such that its investment policy can only be amended by way of a special resolution (requiring three-quarters of the votes cast on the resolution to be in favour) unless, in the reasonable opinion of the Directors, such change is not material.

5. Directors' and other interests

5.1 Arabella Cecil, Thomas Henderson, Peter Hames, Nicholas Moss and Jeremy Tigue have confirmed to the Company that they will each subscribe for Ordinary Shares under the Issue.

5.2 Each of the Proposed Directors has confirmed to the Company that they do not intend to subscribe for Ordinary Shares under the Issue.

5.3 Martin Murphy, who will act as SIML's chief executive officer, has confirmed to the Company that he intends to subscribe for 300,000 Ordinary Shares in the Placing.

5.4 The Directors and the Proposed Directors' interests in the Ordinary Shares are set out in the table below.

	Ordinary Shares held immediately prior to Admission		Ordinary Shares held after Admission**	
Name	**Number of Shares**	**per cent. of share capital**	**Number of Shares**	**per cent. of share capital**
Jeremy Tigue	355,153	0.09	467,307	0.06
Arabella Cecil[8]	394,255	0.10	813,622	0.11
Peter Hames	71,029	0.018	93,459	0.012
Thomas Henderson	11,742,400[9]	3.04	12,042,400	1.56
Nicholas Moss	15,270	0.004	20,092	0.003
Nigel Keen	—	—	—	—
Ellen Strahlman	—	—	—	—

Except as disclosed in this paragraph 5, the Company is not aware of interests of any Director or Proposed Director, including any connected person of that Director or Proposed Director, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director or Proposed Director whether or not held through another party, in the share capital of the Company, together with any options in respect of such capital immediately following the Issue.

5.5 As at the date of this document, except as set out below, in so far as is known to the Company no person is or will, immediately following Admission, be directly or indirectly interested in 5 per cent. or more of the Company's capital or voting rights.

Name	**Ordinary Shares held immediately prior to Admission**	**Percentage of issued share capital immediately prior to Admission**	**Ordinary Shares held immediately after Admission**	**Percentage of issued share capital immediately following Admission*** **
Schroders Plc	41,206,972	10.67	54,219,700	7.02
Smith & Williamson Investment Management	38,766,853	10.04	51,009,017	6.60
Waverton Investment Management Ltd	25,075,176	6.49	32,993,653	4.27
Rathbone Investment Management	23,068,343	5.97	30,353,083	3.93
JM Finn & Co	22,115,992	5.73	29,099,989	3.77
Tilney Bestinvest	21,570,123	5.59	28,381,741	3.67
Wellcome Ventures	—	—	243,461,685	31.52

Such Shareholders listed in the table above will not have different voting rights to other Shareholders. The Companies Law imposes no requirement on Shareholders to disclose holdings of 5 per cent. (or any greater limit) or more of any class of the share capital of the Company. However, the Disclosure and Transparency Rules provide that certain persons (including

** The number of Ordinary Shares to be held by each of the Directors and Proposed Directors following Admission represents the latest information received by the Company from each of the Directors and the Proposed Directors as at the date of this Prospectus. The post-Admission share ownership percentages have been calculated on the basis that the maximum number of new Ordinary Shares are issued under the Issue and 264,334,417 Ordinary Shares are issued pursuant to the Firm Placing.

8 108,187 Shares are held by Gravity Partners Limited, a company controlled by Arabella Cecil

9 Shares are held by Farla Limited, a company controlled by Thomas Henderson

*** The post-Admission share ownership percentages of major shareholders' have been calculated on the basis that each major shareholder takes up its full entitlement under the Open Offer and on the basis that the maximum number of New Ordinary Shares are issued under the Issue and the Company issues 264,334,417 New Ordinary Shares pursuant to the Firm Placing.

Shareholders) will be obliged to notify the Company if the proportion of the Company's voting rights which they own reaches, exceeds or falls below specific thresholds (the lowest of which is currently 5 per cent.).

5.6 The Company is aware that, following Admission, Wellcome Ventures will hold more than 30 per cent. of the Shares in the capital of the Company. The Company has, concurrently with the publication of this Prospectus, sought approval from its Independent Shareholders by way of a Rule 9 Resolution to request a 'whitewash waiver' from the Panel such that Wellcome Ventures would not be required to make an offer for the entire issued share capital of the Company in accordance with Rule 9 of the City Code. The Issue and the Firm Placing and the implementation of both the Proposed Transaction and the Liquidity Facility are each conditional upon, amongst other things, the Company receiving approval from its Independent Shareholders for such 'whitewash waiver'.

5.7 Save as set out in this paragraph 5.6, no Director or Proposed Director is considered to be subject to any conflicts of interest between his or her duties to the Company and his or her private interests or other duties. Arabella Cecil is retained as a consultant by BACIT UK and, as a result, has a personal economic interest in the activities of BACIT UK.

5.8 No loan has been granted to, nor any guarantee provided for the benefit of, any Director or Proposed Director by the Company.

5.9 Each Director has, and each Proposed Director will have, a letter of appointment but no service contract with the Company, nor are any such service contracts proposed. The Directors hold their office, and the Proposed Directors will hold their office, in accordance with their letters of appointment and the Articles of Incorporation. The Directors' appointments can be terminated with one month's notice in accordance with the Articles of Incorporation and without compensation. The Articles of Incorporation provide that the office of Director shall be terminated by, among other things, (i) written resignation, (ii) unauthorised absences from board meetings for 12 months or more, (iii) written request of the other Directors, and (iv) a resolution of a majority of the Shareholders eligible to vote.

5.10 No members of the Administrator or the Investment Management Team have any service contracts with the Company.

5.11 The aggregate remuneration and benefits in kind of the Directors in respect of any financial year, which will be payable out of the assets of the Company (subject to the limit detailed in the paragraph headed "(i) *Directors of the Company*" in the section headed "*General Expenses of the Company*" and below in paragraph 6.24 under the heading "*BACIT UK IMA*" of this Prospectus) are not expected to exceed £500,000. Each of the Directors (other than the Chairman of the Board) currently receives a fee of £25,000 per year but a number of Directors have chosen to waive their entitlement to this fee. The Chairman of the Board receives a fee of £40,000 per year. Under the Articles, the Directors have the ability to adjust the remuneration of the Directors by resolution of the Board.

5.12 In addition to their directorships of the Company, the Directors and the Proposed Directors hold or have held the following directorships, and are or were members of the following partnerships, within the five years ending on 25 November 2016 (being the latest practicable date prior to the publication of this Prospectus):

Name	Current directorships/partnerships	Past directorships/partnerships
Jeremy Tigue	ICG Enterprise Trust PLC The Mercantile Investment Trust plc The Monks Investment Trust PLC Standard Life Equity Income Trust PLC	None
Arabella Cecil	eHeart AB Evenlode AB Gravity Partners Limited	The BACIT Foundation
Peter Hames	Polar Capital Technologies Trust PLC MMIP Investment Limited Genesis Asset Managers LLP Genesis Smaller Companies SICAV Genesis Emerging Markets Investment Company SICAV	PCT Finance Limited

Name	Current directorships/partnerships	Past directorships/partnerships
	Genesis Emerging Markets Opportunities Fund Limited – Smaller Companies Portfolio Lisia Investment Holdings Limited First Impressions Limited	
Thomas Henderson	Farla Limited The BACIT Foundation	Eden Capital Fund Ltd ZHV Balanced Fund New Generation Haldane Fund New Generation Haldane Fund Management Limited
Nicholas Moss	Allegiance Limited Altamira Holdings LLC BACIT GP Limited BACIT Guernsey Holdco 1 Limited BACIT Guernsey Holdco 2 Limited BACIT Holdco 3 Limited BACIT Holdco 4 Limited Bayan 2013 LLC BH Global Limited Bunclody Limited Callista Investments Limited Carador Income Fund PLC Carleton Advisors (Guernsey) Limited CJG Investments Limited CJL Investments Limited Clear Skies Limited CLS Therapeutics Limited CORESTATE German Residential Limited (in voluntary liquidation) Cottage Foundation Dovey Limited Elon Limited Equator Investments Limited European Forest Resources Holdings Limited Fitzhead Limited Foyle Limited Gabriel Wings Pte Ltd Green Dome International Pte Ltd GTO Holdings Pte. Ltd Holguin Securities Inc Invicta Limited Laxford Ltd Logan Services SA MS Delphi (PTC) Limited New Holdings Invest Limited Ocean Breeze Limited Ondas Investments Pte. Ltd. Orange Vehicles LLC Palestrina LLC Polten Foundation Rea Investments Limited Rekig Limited Rekig Olympic Pool Limited Rekig Property Investments Limited Safmar Realty (PTC) Limited Salemba Pte Ltd Slalom Holdings Pte Inc South Bank Investments Limited Spider Holdings Pte Ltd Stonewood Investment Management (Guernsey) Limited	Absolute Return Trust Limited Aegis Limited Aeon Limited Ahrouvo Holdings Ltd Aquanox Trading Limited Aravis Limited Berkhoel Investments Limited Cammas Ltd Cascade Premium Limited Chenavari Investment Managers (Guernsey) Limited Compleat Investments Limited Credo Limited Croburo Trading Ltd Demico Limited Diawara Services Limited Etac Investments Limited Frassoli Ltd GroburoTrading Ltd Hoffets Investments Limited Ioreva Holdings Ltd Lantana (2009) Limited Lantana Holdings Limited Nopalaver Services Limited Roustel Investments Limited Rowan Limited Sardrette Investments Limited Saulire Limited Selden Investments Limited Tacus Fund Limited Tarlamo Trading Ltd Triple Point PCC Limited Urmaston Services Limited Vizelle Limited Wengen Limited

Name	Current directorships/partnerships	Past directorships/partnerships
	Sunburst Properties PTE Ltd Topmast Offshore Limited Virtus Cayman Limited Virtus Directors Limited Virtus Investment Services Limited Virtus Management Limited Virtus Trust Corporation Limited Virtus Trust Limited Virtus Trust NZ Limited Virtus Trust USA LLC Woolliscroft's Limited	
Nigel Keen	David Shepherd Wildlife Foundation Deltex Medical Group Plc Imperialise Ltd Oxford Academic Health Science Network Oxford Instruments Pension Trustees Limited Oxford University Innovation Limited Syncona Partners LLP Venture Research International Limited	Bioquell plc Laird plc Oxford Instruments plc
Ellen Strahlman	Syncona Partners LLC	Becton Dickinson, plc ViiV Healthcare, plc

5.13 Save as disclosed in this paragraph, at the date of this Prospectus:

(a) none of the Directors or the Proposed Directors has any convictions in relation to fraudulent offences for at least the previous five years;

(b) none of the Directors nor the Proposed Directors was a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years which has entered into any bankruptcy, receivership or liquidation proceedings; and

(c) none of the Directors nor the Proposed Directors has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

5.14 Pursuant to an instrument of indemnity entered into between the Company and each Director, the Company has undertaken, subject to the Companies Law and certain limitations, to indemnify each Director out of the assets and profits of the Company against certain charges, losses, damages, expenses and liabilities arising out of any claims made against him in connection with the performance of his or her duties as a director of the Company. Each of the Proposed Directors will enter into an instrument of indemnity in substantially the same form as those between the Company and the current Directors.

5.15 The Company will maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

6. Material Contracts

The following are all of the contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company since its incorporation and are, or may be, material or that contain any provision under which the Company has any obligation or entitlement which is or may be material to the Company as at the date of this Prospectus.

6.1 Placing Agreement

The Placing Agreement, dated 28 November 2016, has been entered into between the Company and the Bookrunner under which the Bookrunner has agreed, subject to certain conditions that are typical for an agreement of this nature, the last condition being Admission, to use its respective reasonable endeavours to procure subscribers for Ordinary Shares in the Placing at the Offer Price.

For its services in connection with the Placing and provided the Placing Agreement becomes wholly unconditional and is not terminated, the Bookrunner shall be entitled to (a) a commission of 0.35 per cent. of the number of Ordinary Shares in issue on Admission multiplied by the Company's Net Asset Value per share as at 31 October 2016 and (b) a commission of one per cent of the gross Issue proceeds received by the Company.

In addition, the Bookrunner will be entitled to be reimbursed by the Company for all their properly incurred and documented reasonable charges, fees and expenses in connection with or incidental to the Issue and Admission.

Under the Placing Agreement, the Company has given certain market standard warranties. The Company has undertaken that it will not, during the period beginning at the date of the Placing Agreement and ending on the date that is 180 days after the closing date of the Issue, without the prior consent of the Bookrunner, offer, issue, lend, sell or contract to sell, grant options in respect of or otherwise dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into, or exchangeable for, or enter into any swap or other agreement or any other transaction with the same economic effect as, or agree to do any of the foregoing.

For further information in relation to the Subscription and Lock-up Agreements that the Firm Placees entered into, see paragraph 6.2 below.

The Placing Agreement can be terminated at any time on or before Admission by the Bookrunner giving notice to the Company if:

(a) any of the conditions in the Placing Agreement are not satisfied or waived at the required times and continue not to be satisfied or waived at Admission;

(b) any statement contained in any document published or issued in connection with the Issue is or has become untrue or incorrect in any material respect or misleading;

(c) the Company fails to comply with any of its material obligations under the Placing Agreement or under the terms of the Issue;

(d) there has been a breach, by the Company of any of the representations, warranties or undertakings, contained in the Placing Agreement which the Bookrunner considers in good faith material in the context of the Issue or Admission;

(e) there has been a breach, by the Company of any provision of the Placing Agreement, which the Bookrunner considers in good faith material in the context of the Issue or Admission;

(f) a matter referred to in section 87G of FSMA has arisen between the publication of the Prospectus and Admission;

(g) withdrawal or refusal by the UK Listing Authority or the London Stock Exchange of the applications made in connection with Admission;

(h) Admission not occurring by 8:00 a.m. on 19 December 2016;

(i) in the good faith opinion of the Bookrunner, there is a material adverse change in the condition (financial, operational, legal or otherwise) or in the earnings, management, business affairs, solvency or business or financial prospects of Company or the Group; or

(f) there have occurred or in the good faith opinion of the Bookrunner, it is reasonably likely that any of the following will occur:

  (i) any material adverse change in certain international financial markets which may materially adversely affect the Proposed Transaction;

  (ii) trading on the LSE has been restricted or materially disrupted in a way which may materially adversely affect the Proposed Transaction;

  (iii) any actual or prospective change or development is applicable in the UK or Guernsey taxation or the imposition of certain exchange controls which may materially adversely affect the Proposed Transaction; or

  (iv) a banking moratorium has been declared by the UK or Guernsey authorities.

The Placing Agreement is governed by English law.

6.2 **Subscription and Lock-Up Agreements**

The Company is subject to a lock-up arrangement, as set out in the Placing Agreement, for 180 days from the date of Admission, subject to certain customary exceptions.

Each of the Firm Placees has separately entered into a Subscription and Lock-Up Agreement in favour of the Company and the Bookrunner. Under the Subscription and Lock-Up Agreements each of the Firm Placees agrees to subscribe for its specified number of Ordinary Shares in the Firm Placing and not to dispose of such Ordinary Shares for a period of 24 months from the date of Admission, subject to the exceptions detailed below.

The Firm Placees shall be permitted to dispose of their Ordinary Shares:

(a) with the prior written approval of the Company and the Bookrunner (which approval may be granted or declined at their absolute discretion acting in good faith);

(b) pursuant to any offer by the Company to purchase its own Ordinary Shares made on identical terms to all Shareholders;

(c) in acceptance of a takeover offer;

(d) pursuant to a compromise or similar arrangements between the Company and its members or creditors or any class of them or an intervening court order;

(e) to raise monies to discharge any tax liability (including but not limited to income tax or inheritance tax liabilities, PAYE and national insurance contributions or similar imposts in any applicable jurisdiction) and any interest, surcharges or penalties connected therewith arising in relation to their acquisition, holding or disposal of Ordinary Shares; or

(f) to any person, entity or trust with whom the Firm Placee (or its connected persons) is connected.

The Company has also agreed with CRUK that it shall be permitted to dispose of its Ordinary Shares, notwithstanding any lock-up arrangements, where:

(a) the Company proposes a material change to the Proposed Investment Policy that would have the effect of either permitting the provision of investment or support by the Company to a Tobacco Company or reducing the Company's commitment to oncology projects or Life Science Investments with a sole or dominant focus on oncology; or

(b) the Company:

  (i) invests or supports a Tobacco Company in breach of its published investment policy; or

  (ii) has knowingly or unknowingly, directly or indirectly, invested in a Tobacco Company and has not divested of such investment as soon as reasonably practicable following a request from CRUK to make such a divestment; or

(c) CRUK becomes aware that any Tobacco Company owns or is otherwise interested in five per cent. or more of the Company's Ordinary Shares.

The subscription and lock up arrangements are governed by the laws of England and Wales.

6.3 **BACIT UK IMA**

The Company is party to the BACIT UK IMA with BACIT UK and the General Partner dated 19 December 2014 and as amended and restated on 24 December 2015, pursuant to which BACIT UK was appointed to manage, on a discretionary basis, all of the assets and investments of the Company and the Limited Partnership. BACIT UK is entitled to delegate all or part of its functions under the BACIT UK IMA save that BACIT UK may only delegate the exercise of investment discretion in relation to the portfolio with the written consent of the Directors and BACIT UK shall remain liable for the acts or omissions of persons to whom it may delegate any critical or important operational functions under the BACIT UK IMA.

For the provision of services under the BACIT UK IMA, the Company has agreed to pay BACIT UK an annual fee equal to 0.19 per cent. per annum of the Company's Net Asset Value. The fee is payable monthly in arrears and each payment shall be calculated using the monthly Net Asset Value as at the relevant month end.

The Company also reimburses BACIT UK for all properly incurred fees and expenses incurred by BACIT UK in connection with the provision of its services under the BACIT UK IMA. The maximum amount that the Company shall be required to pay in respect of BACIT UK's properly incurred out-of-pocket expenses in any twelve month period ending on 31 March in any year shall not exceed an amount equal to two per cent. of the Company's Net Asset Value on the preceding 31 March.

Neither BACIT UK nor any of its officers, directors, employees, representatives or agents (each an "**Indemnified Person**") shall be liable to the Company, the General Partner or the Limited Partnership for any act or omission taken or omitted in good faith under the BACIT UK IMA by an Indemnified Person in the reasonable belief that such act or omission is in or is not contrary to the best interests of the Company, the General Partner or the Limited Partnership and is within the scope of authority granted to such Indemnified Person by or in accordance with the provisions of the BACIT UK IMA, except in so far as the same arises as a result of the fraud, wilful default, negligence or bad faith of such Indemnified Person.

The Company has indemnified and will hold harmless each Indemnified Person from and against all claims, actions, damages, demands or proceedings (and associated losses, expenses and liabilities) which may be brought against or suffered, incurred or sustained by that Indemnified Person to the extent that the same arises directly or indirectly from or in connection with the BACIT UK IMA provided however that this indemnity, shall not extend to liability attributable to the fraud, wilful default, negligence or bad faith of such Indemnified Person.

The BACIT UK IMA will continue until terminated as follows:

(a) The Company or BACIT UK may terminate the BACIT UK IMA with notice to the other party if that party:

  (i) commits any material breach of its obligations under the BACIT UK IMA; or

  (ii) is liquidated or dissolved (except a voluntary liquidation or a voluntary dissolution for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the notifying party) or is unable to pay its debts as they fall due or commits any act of bankruptcy under the laws of any jurisdiction to which that party may be subject or if a receiver is appointed over any of its assets.

The Company may, but shall not be obligated to, terminate the BACIT UK IMA immediately by written notice to the other parties if:

(a) BACIT UK is subject to a Change of Control;

(b) Arabella Cecil (i) dies, suffers serious ill health or incapacity or (ii) ceases to commit at least 50% of her business time to BACIT UK; or

(c) Thomas Henderson (i) dies, suffers serious ill health or incapacity or (ii) ceases to be a director of either the Company or BACIT UK.

The Investment Agreement shall, notwithstanding the other termination provisions, terminate automatically if BACIT UK ceases to have the necessary authorisation to permit it to perform its obligations and duties under the BACIT UK IMA.

On termination of the BACIT UK IMA, BACIT UK shall be entitled to receive all fees due and other monies accrued up to the date of such termination but shall not be entitled to compensation in respect of such termination.

Termination of the BACIT UK IMA shall be without prejudice to the completion of transactions already initiated and such transactions will be completed by BACIT UK as soon as practicable.

The BACIT UK IMA is governed by English law.

If the Implementation Resolutions are passed and the Discontinuation Resolution is not passed the BACIT UK IMA will be amended as follows, the amended and restated agreement being the "**Amended BACIT UK IMA**":

- The Amended BACIT UK IMA will have an initial fixed term of five years from the Start Date.
- At the expiry of the First Period, the Amended BACIT UK IMA will continue for a further five years and terminate on the date that is ten years from the Start Date provided that, over the First Period, the Fund Investment portfolio has achieved a time weighted return equal to (a) at least 70 per cent. of the upside return or (b) no worse than 40 per cent. of the downside return generated by the FTSE All Share Index over the First Period (assuming reinvestment of all dividends) (the "**Performance Criteria**").

The Amended BACIT UK IMA will not automatically renew at the end of the Second Period. Otherwise, the Amended BACIT UK IMA will not be terminable by the Company during the First Period or Second Period other than for certain cause events or with the agreement of BACIT UK.

The termination provisions in the BACIT UK IMA shall be amended such that the Company may, but is not obligated to, terminate the Amended BACIT UK IMA by written notice to the other parties if either Thomas Henderson or Arabella Cecil (i) dies, suffers serious ill health or incapacity or (ii) ceases to commit such business time as is necessary for them to fulfil their role within the Fund Investment Management Team.

The fees payable under the Amended BACIT UK IMA will be as follows:

- 0.19 per cent. of Net Asset Value per annum for the First Period.
- 0.15 per cent. of Net Asset Value per annum for the Second Period.

For the purposes of calculating the amount of the fee payable under the Amended BACIT UK IMA the Net Asset Value attributable to Life Science Investments as well as Fund Investments will be included.

6.4 **Limited Partnership Agreement**

Refer to the summary in section 3 above in this Part XI of this Prospectus.

6.5 **Administration Agreements**

The Company is a party to an Administration Agreement with Northern Trust International Fund Administration Services (Guernsey) Limited dated 1 October 2012, and as amended on 8 July 2014, pursuant to which the Administrator provides day-to-day administration of the Company and acts as secretary and administrator to the Company including maintaining accounts, preparing interim and annual accounts of the Company and calculating the Net Asset Value. The General Partner on behalf of itself and the Limited Partnership is party to the LP Administration Agreement dated 1 October 2012 pursuant to which the Administrator provides day-to-day administration of the General Partner and the Limited Partnership including acting as secretary to the General Partner, maintaining accounts and preparing interim and annual accounts of the General Partner and the Limited Partnership.

For the provision of such services the Administrator is entitled to receive a fee of: (i) 6 basis points of Net Asset Value per annum on the first £100,000,000 of the Company's net assets; (ii) 4 basis points of Net Asset Value per annum on the next £100,000,000 of the Company's net assets; (iii) 3 basis points of Net Asset Value per annum on the next £100,000,000 of the Company's net assets; and (iv) 2 basis points of Net Asset Value per annum thereafter. The Net Asset Value is calculated as at the last valuation day in each month (as produced by the Administrator). The fees set out above are subject to a minimum fee of £120,000 per annum payable monthly in arrears (the parties may by agreement revise these fees from time to time). The Company also reimburses the Administrator for disbursements and reasonable out of pocket expenses incurred by the Administrator on behalf of the Company, the General Partner or the Limited Partnership

The Administrator may, in accordance with the CIS Rules, delegate the whole or any part of its duties and responsibilities to an affiliate however such delegation does not affect the liability of the Administrator who shall remain at all times liable for the acts or omissions of its delegate as if such acts or omissions were its own.

Each of the Administration Agreements may be terminated by either party serving the other party 90 days' written notice. Each of the Administration Agreements may be terminated immediately if (i) either party is subject to winding up proceedings or the appointment of an administrator, examiner or receiver except voluntary liquidation for the purposes of a reconstruction, amalgamation or merger, (ii) if either party commits any material breach of the provisions of the Administration Agreement of the LP Administration Agreement, as the case may be, and shall, if capable of remedy, not have remedied the same within 30 days after the service of notice requiring it to be remedied (in such cases such right of termination lies with the non-defaulting party), (iii) if the continued performance of the Administration Agreement or the LP Administration Agreement, as the case may be, for any reason ceases to be lawful, (iv) if the Administrator is no longer permitted or qualified to perform its obligations pursuant to any applicable law (including the POI Law, as amended) or regulation (including in circumstances where the Administrator ceases to hold the relevant licence, consent, permit or registration to carry on the Administrator's activities), (v) if a party is declared to be en état de désastre under the laws of Guernsey, or (vi) if the Administrator is or is deemed to be resident for tax purposes elsewhere than in Guernsey or has a permanent establishment or other taxable presence elsewhere than in Guernsey.

The Administrator will generally not be liable for any loss, damages or liabilities incurred as a result of the proper performance by the Administrator of its obligations and duties under the Administration Agreements in the absence of negligence, fraud, bad faith or wilful default. To the fullest extent permitted by law, the Administrator shall not be liable for any indirect, incidental or consequential losses including loss of profit, revenue, savings or goodwill. The Company or the General Partner or the Limited Partnership, as the case may be, will indemnify the Administrator against all actions, proceedings, claims, costs, demands and expenses that may be imposed on, incurred by or asserted against the Administrator in respect of any loss or damage suffered or alleged to have been suffered by any party in connection with or arising out of the proper performance by the Administrator of its obligations and duties under the Administration Agreements or the LP Administration Agreement, as the case may be, otherwise than as a result of some act of negligence, fraud, bad faith or wilful default on the part of the Administrator.

The Administration Agreement is governed by Guernsey law.

6.6 **Mainspring Agreement**

The Company has entered into a letter agreement with Mainspring dated 2 June 2014 to provide certain corporate secretarial and fund administration services. For the provision of such services Mainspring is entitled to receive a fee equal to 3 basis points of Net Asset Value per annum.

The Mainspring Agreement is governed by the laws of England and Wales.

6.7 **Depositary Agreement**

The Company is a party to a Depositary Agreement with Northern Trust (Guernsey) Limited dated 28 November 2016 pursuant to which the Depositary provides the services set out in the Depositary section of Part II "*The Company*" of this Prospectus.

By separate Depositary Agreements with Northern Trust (Guernsey) Limited, each of BACIT Discovery Limited and the Limited partnership have also appointed the Depositary.

Under the terms of the Depositary Agreements, the Depositary is entitled to a fee of 2 basis points of Net Asset Value per annum.

For the provision of the custody services under the Depositary Agreements, the Custodian is entitled to receive a custody fee of 4 basis points on the assets of the Company's under custody up to £300 million and a fee of 3 basis points per annum thereafter, subject to a minimum annual fee of £20,000, together with transaction charges, payable by the Company, BACIT Discovery Limited or the Limited Partnership payable monthly in arrears (the parties may by agreement revise these fees from time to time). The General Partner will also reimburse the Custodian for disbursements and reasonable out of pocket expenses incurred by the Custodian on behalf of the Limited Partnership.

The Depositary is responsible for verifying, overseeing and ensuring the safekeeping of the assets of each of the Company, BACIT Discovery Limited and the Limited Partnership.

In addition, the Depositary has the following duties to the Company:

(i) ensuring that the sale, issue, re-purchase, cancellation and valuation of Ordinary Shares are carried out in accordance with the Articles of Incorporation and applicable law, rules and regulations;

(ii) ensuring that the value of the units or shares of the Company is calculated in accordance with applicable law, the Articles of Incorporation and the procedures laid down in the AIFM Directive;

(iii) ensuring that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits;

(iv) ensuring that the Company's income is applied in accordance with the Articles of Incorporation, applicable law, rules and regulations; and

(v) carrying out instructions from the Investment Management Team unless they conflict with the Articles of Incorporation or applicable law, rules and regulations

The Depositary Agreements may be terminated by either party serving the other party not less than six months' written notice. Each Depositary Agreement may be terminated immediately by notice in writing from one party to the other (i) either party is subject to winding up proceedings or the appointment of an administrator, examiner or receiver except voluntary liquidation for the purposes of a reconstruction, amalgamation or merger (ii) if either party commits a material breach of its

obligations under each Depositary Agreement, subject to a 30 day cure period, (iii) if fraud is proven against the Company or BACIT UK or (iv) if the continued operation of each Depositary Agreement ceases to be lawful. On termination, the Depositary shall be entitled to receive all fees and other monies due to it and accrued to the date of such termination on a *pro rata* basis up to the date of termination.

The Depositary is not liable for any acts or omissions in the performance of its services under the Depositary Agreements in the absence of wilful default, negligence or fraud and subject thereto, the Depositary is entitled to be indemnified to the extent permitted by law, against all actions, proceedings, claims, costs, demands and expenses arising in connection with the performance of its services. The Depositary is liable to the Company, BACIT Discovery Limited and the Limited partnership for all other losses suffered by it as a result of the Depositary's negligence, fraud, or wilful default.

The Depositary Agreements are governed by Guernsey law

6.8 **Registrar Agreement**

The Company is party to a Registrar Agreement with Capita Registrars (Guernsey) Limited dated 1 October 2012 pursuant to which the Registrar acts as the registrar of the register of members of the Company kept in Guernsey and to provide registration services to the Company which entails, among other things, the Registrar having responsibility for the transfer of Shares, maintenance of the register of members and maintenance of dividend payment instructions.

Under the Registrar Agreement, the Registrar is entitled to receive a basic fee based on the number of Shareholder accounts, subject to a set annual minimum charge of £7,999, and to a fee of £500 per annum for provision of share portal services, (payable quarterly in arrears). In addition to this basic fee, the Registrar is entitled to receive additional fees for specific actions.

The Registrar Agreement has an effective initial term of three years, after which the agreement will automatically renew for successive periods of 12 months unless six months' prior written notice is given by the other party at the end of the initial term, or six months' prior written notice is given to the other party at the end of a successive 12 month period. The Registrar Agreement may be terminated by the non-claiming party on the occurrence of an event of force majeure if the claiming party has promptly notified the non-claiming party of the nature and extent of the circumstances giving rise to the event of force majeure, and the event of force majeure continues for a period in excess of 30 days on which it began. Either party may terminate the registrar agreement: (i) by service of three months' written notice should the parties not reach an agreement regarding any increase in fees; (ii) upon service of written notice if the other party commits a material breach of its obligations which is not remedied within 45 days of receipt of a written notice; or (iii) upon service of written notice if a resolution is passed or an order made for the winding-up, dissolution or administration of the other party, or if the other party is declared insolvent or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a substantial part of the other party or its assets or undertakings.

The Company has agreed to indemnify the Registrar and its agents, officers and employees against all and any losses, damages, liabilities, professional fees, court costs and expenses which may be suffered or incurred by the Registrar or its agents, officers and employees in connection with the performance of its or their duties under the Registrar Agreement, and in addition any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the Registrar Agreement or the services contemplated save to the extent that such liabilities may be due to the fraud, negligence or wilful default of the Registrar or its agents, officers or employees.

The liability of the Registrar to the Company under the Registrar Agreement is limited, except in the case of death or personal injury caused by the Registrar's negligence, liability for fraud by the Registrar or any other liability which cannot be excluded by law, to the lesser of £1,000,000 or an amount equal to 10 times the annual fee payable to Capita.

The Registrar Agreement is governed by Guernsey law.

6.9 **Receiving Agent Agreement**

The Company has entered into a receiving agent agreement (the "**Receiving Agent Agreement**"), dated 28 November 2016, with the Receiving Agent for the provision of its services to the Company in respect of the Open Offer and Liquidity Facility.

For the provision of such services the Company has agreed to pay the Receiving Agent a fee which shall be calculated by reference to, amongst other things, the number of hours spent by the Receiving Agent in providing the services, the number of Open Offer Entitlements processed by it and the number of elections to sell Sale Shares by Selling Shareholders. Such fee is estimated at £30,000.

In addition, the Company will pay to the Receiving Agent its reasonable and properly documented out of pocket expenses.

The Company has also agreed to indemnify the Receiving Agent and its affiliates and their directors, officers, employees and agents against all and any losses, damages, liabilities, professional fees, court costs and expenses which may be suffered or incurred by the Receiving Agent or its affiliates and their directors, officers, employees and agents in connection with the performance of its or their duties under the Receiving Agent Agreement, and in addition any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the Receiving Agent Agreement or the services contemplated save to the extent that such liabilities may be due to the fraud, negligence or wilful default of the Receiving Agent or its affiliates and their directors, officers, employees and agents.

6.10 **Framework Agreement with the ICR**

The Company is party to a framework agreement with the ICR dated 1 October 2012 as amended on 24 September 2013 and 24 December 2015.

Pursuant to the framework agreement:

(a) the Company agrees, among other things:

  (i) to comply with its Investment Policy and not knowingly to allow 10 per cent. or more of its assets under management from time to time to be invested in breach of the ICR's restrictions on tobacco-related investments;

  (ii) to procure that half of the Annual Donation is donated to the ICR; and

  (iii) not to promote any relationship with any cancer charity other than the ICR, except to the extent relevant to the allocation by The BACIT Foundation of any part of the remaining Annual Donation other than to the ICR;

(b) the ICR agrees not to be associated with any fund-of-funds or other publicly traded investment entity which shares the key characteristics of or is materially similar to the Company (provided that, for the avoidance of doubt, the ICR shall not otherwise be restricted from accepting charitable donations from investment entities);

(c) each of the Company and the ICR licences to the other the right to use its respective name and marks and agrees to indemnify the other for losses that may result from its misuse of those names and marks; and

(d) the monetary liability of the ICR to the Company for information provided to the Company by the ICR for inclusion in the Prospectus is limited.

The ICR may terminate the framework agreement on twelve months' written notice to the Company, such notice to be served at any time. In addition, the ICR may terminate the framework agreement immediately on written notice at any time on the occurrence of certain events, including in the event that:

(a) the Investment Policy is materially amended;

(b) any allocation of the Annual Donation due to the ICR is not paid to the ICR when due;

(c) a Change of Control of the Company occurs; or

(d) the Company performs any act or fails to act in circumstances which are knowingly calculated to, or which may reasonably be expected to, bring the ICR into disrepute.

The Company may terminate the framework agreement on twelve months' written notice to ICR, such notice to be served at any time following the occurrence of the following:

(a) the Company ceases to have an Investment Policy which requires both that the Group's investments must be made on a "gross return" basis and the obligation on the Company to procure that a portion of its Net Asset Value is periodically donated to charities; or

(b) a Change of Control of the Company occurs.

In addition, the Company may terminate the framework agreement immediately on written notice at any time on the occurrence of certain events, including in the event that:

(a) the ICR (i) ceases to be a charitable organisation or (ii) the charitable objects of the ICR are materially amended; or

(b) the ICR performs any act or fails to act in circumstances which are knowingly calculated to, or which may reasonably be expected to, bring BACIT into disrepute.

Either party may terminate the framework agreement immediately if the other has passed any resolution for, or made any filing in respect of, its bankruptcy, liquidation, receivership or reorganisation under any insolvency laws or has taken (or there has been taken against it by any third party) any similar action.

The framework agreement is governed by English law.

For purposes of the framework agreement, a "Change of Control" of the Company means the acquisition (whether directly or indirectly) by a person or a group of persons acting in concert (as such term is defined in the City Code on Takeovers and Mergers) of:

(a) more than 50 per cent. of the issued ordinary share capital of the Company;

(b) issued share capital having the right to cast more than 50 per cent. of the votes capable of being cast in general meetings of the Company; or

(c) the right to determine the composition of the majority of the board of directors of the Company.

The Company has agreed with the ICR, conditional upon the implementation of the Proposed Transaction, that with effect from the Implementation Date:

(a) the Company will make an annual donation to charity which is equal to 0.3 per cent. of its annual net asset value and that an amount equal to half of 0.3 per cent. of the Company's net asset value will be donated to the ICR;

(b) the Company will ensure that, for the two financial years following the financial year ended 31 March 2016, the amount donated to the ICR will not be less than the amount donated for the financial year ended 31 March 2016;

(c) the Company's proposed relationship with CRUK shall be permitted for the purposes of the framework agreement; and

(d) the Company may make fee paying Fund Investments in accordance with the Proposed Investment Policy.

6.11 **Agreement with The BACIT Foundation**

The Company is party to an agreement with The BACIT Foundation dated 1 October 2012 as amended on 25 September 2013 which sets out the terms on which the Company will contribute the relevant portion of the Annual Donation to The BACIT Foundation and how it will be applied by The BACIT Foundation. In addition, the agreement sets out the procedure by which The BACIT Foundation will notify the Company of the relevant charities to whom donations may be made by The BACIT Foundation and the procedure for obtaining the decisions of Shareholders as to which of those charities shall receive donations in a particular year.

Either party may terminate this agreement on six months' written notice to the other or immediately on written notice to the other at any time in the event that:

(a) a Change of Control of the Company occurs;

(b) The BACIT Foundation ceases to be a charitable organisation;

(c) the other party breaches any material provision of this Agreement and such breach either is incapable of remedy or has not been remedied to the reasonable satisfaction of the terminating party within 30 days of the other party receiving notice to do the same from the terminating party;

(d) the other party does (or omits to do) anything which, in the reasonable opinion of the terminating party, is knowingly calculated to, or which may reasonably be expected to, bring the terminating party into disrepute;

(e) the other party has passed any resolution for, or made any filing in respect of, its liquidation, receivership or reorganisation under any insolvency laws or has taken (or there has been taken against it by any third party) any similar action; or

(f) the performance by the first party of any of its obligations under this Agreement is or becomes illegal or unlawful under the laws of any relevant jurisdiction.

In addition, The BACIT Foundation may terminate the agreement immediately on written notice if the Company does (or omits to do) anything which, in the reasonable opinion of The BACIT Foundation, is knowingly calculated to, or which may reasonably be expected to, be detrimental to The BACIT Foundation carrying on its charitable purposes.

The agreement is governed by English law.

The Company has agreed with The BACIT Foundation, conditional upon the implementation of the Proposed Transaction, that with effect from the Implementation Date:

(a) the Company will make an annual donation to charity which is equal to 0.3 per cent. of its annual net asset value and that an amount equal to half of 0.3 per cent. of the Company's net asset value will be donated to The BACIT Foundation;

(b) the Company will ensure that, for the two financial years following the financial year ended 31 March 2016, the amount donated to The BACIT Foundation will not be less than the amount donated for the financial year ended 31 March 2016; and

(c) to extend the term of the agreement between the Company and the BACIT Foundation such that the Company may not serve notice to terminate the agreement prior to 31 March 2019.

7. Conditional material contracts

The following are descriptions of contracts which the Company has entered into and which are conditional upon the Company implementing the Proposed Transaction.

7.1 CRUK Trademark Licence Agreement

The Company has agreed a trademark licence agreement with CRUK (the "**CRUK Trademark Licence Agreement**"). CRUK has granted the Company a non-exclusive right to use its name and logo, subject to market standard terms and conditions, in connection with its holding of the Initial Life Science Portfolio and in connection with any investments made by the Company. The CRUK Trademark Licence Agreement will be entered into for an initial term of three years, following which CRUK will have the option to terminate. In addition, CRUK will also be able to terminate the CRUK Trademark Licence Agreement if:

(a) the Company unknowingly makes an investment in a Tobacco Company in contravention of the Proposed Investment Policy; or

(b) CRUK becomes aware that any Tobacco Company owns or is otherwise interested in any of the Company's Ordinary Shares.

The CRUK Trademark Licence Agreement is governed by the laws of England and Wales.

7.2 Syncona Sale Agreements

A subsidiary of the Company has agreed transfer agreements between, amongst others, itself and Wellcome Ventures (the "**Syncona Sale Agreements**"). Pursuant to the Syncona Sale Agreements, Wellcome Ventures shall sell and subsidiaries of the Company shall purchase all of the limited liability partnership interests in Syncona Partners LLP and Syncona Management LLP as at the date of the Syncona Sale Agreement. The consideration payable shall be £165.9 million for such purchase. Completion of each of the Syncona Sale Agreements is conditional on the implementation of the Proposed Transaction. The Syncona Sale Agreements are governed by the laws of England and Wales.

7.3 CRUK Sale Agreement

BACIT Discovery Limited has agreed a transfer agreement between itself and Cancer Research Technology (the "**CRUK Sale Agreement**"). Pursuant to the CRUK Sale Agreement, Cancer Research Technology shall sell and BACIT Discovery Limited shall purchase the limited partnership interest in the Pioneer Fund which is currently held by Cancer Research Technology. The consideration payable by BACIT Discovery Limited shall be £10,572,361 for such purchase. Completion of the CRUK Sale

Agreement is conditional on the implementation of the Proposed Transaction. The CRUK Sale Agreement is governed by the laws of England and Wales.

7.4 SIML Expenses Agreement

The Company has agreed terms on an expenses and indemnification agreement (the "**SIML Expenses Agreement**") with SIML which is conditional upon SIML receiving authorisation from the FCA to act as the Company's AIFM. Pursuant to the SIML Expenses Agreement the Company has agreed, for the period starting on the Implementation Date and ending on the date on which SIML receives regulatory approval from the FCA to act as the Company's AIFM (the "**SIML AIFM Approval Date**"), to reimburse SIML for any fees and expenses incurred under a consultancy agreement which SIML will enter into with BACIT UK in relation to the management of the Company's Life Science Investments (the "**SIML Consultancy Agreement**").

The Company has agreed to pay SIML an annual fee of up to one per cent. per annum of the Company's Net Asset Value. The fee is payable monthly in arrears and each payment shall be calculated using the monthly Net Asset Value as at the relevant month end. The Company has also agreed to make a long term incentive plan available to SIML.

The Company has also agreed that neither SIML nor any of its officers, directors, employees, representatives or agents (each an Indemnified Person) shall be liable to the Company for any act or omission taken or omitted in good faith under the SIML Consultancy Agreement by an Indemnified Person in the reasonable belief that such act or omission is in or is not contrary to the best interests of the Company and is within the scope of authority granted to such Indemnified Person by or in accordance with the provisions of the SIML Consultancy Agreement, except in so far as the same arises as a result of the fraud, wilful default, negligence or bad faith of such Indemnified Person.

The Company has indemnified and will hold harmless each Indemnified Person from and against all claims, actions, damages, demands or proceedings (and associated losses, expenses and liabilities) which may be brought against or suffered, incurred or sustained by that Indemnified Person to the extent that the same arises directly or indirectly from or in connection with the SIML Consultancy Agreement provided however that this indemnity, shall not extend to liability attributable to the fraud, wilful default, negligence or bad faith of such Indemnified Person.

The SIML Expenses Agreement will automatically terminate on the SIML AIFM Approval Date and will be replaced by the SIML IMA (as described below).

The Company or SIML may terminate the SIML Expenses Agreement with notice to the other party if that party:

(a) commits any material breach of its obligations under the SIML Expenses Agreement; or

(b) is liquidated or dissolved (except a voluntary liquidation or a voluntary dissolution for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the notifying party) or is unable to pay its debts as they fall due or commits any act of bankruptcy under the laws of any jurisdiction to which that party may be subject or if a receiver is appointed over any of its assets.

On termination of the SIML Expenses Agreement, SIML shall be entitled to receive all fees due and other monies accrued up to the date of such termination but shall not be entitled to compensation in respect of such termination.

The SIML Expenses Agreement is governed by the laws of England and Wales.

7.5 SIML IMA

The Company has agreed the terms of an investment management agreement (the "**SIML IMA**") to be entered into with SIML and which is conditional upon SIML receiving authorisation from the FCA to act as the Company's AIFM. The SIML IMA shall, presuming the condition is met, come into effect on the SIML AIFM Approval Date.

Pursuant to the SIML IMA SIML will be appointed to manage, on a discretionary basis, the Company's Fund Investment and Life Science Investment portfolio. SIML is entitled to delegate all or part of its functions under the SIML IMA, save that SIML may only delegate the exercise of investment discretion in relation to the portfolio with the written consent of the Company, and SIML shall remain liable for the acts or omissions of persons to whom it may delegate any critical or important operational functions under the SIML IMA.

SIML has delegated the management of the Company's Fund Investment portfolio to the Fund Investment Management Team pursuant to the terms of the Amended BACIT UK IMA (as summarised above).

For the provision of services under the SIML IMA, the Company has agreed to pay SIML an annual fee of up to one per cent. per annum of the Company's Net Asset Value. The Company has also agreed to make a long term incentive plan available to SIML.

Neither SIML nor any of its officers, directors, employees, representatives or agents (each an **Indemnified Person**) shall be liable to the Company for any act or omission taken or omitted in good faith under the SIML IMA by an Indemnified Person in the reasonable belief that such act or omission is in or is not contrary to the best interests of the Company and is within the scope of authority granted to such Indemnified Person by or in accordance with the provisions of the SIML IMA, except in so far as the same arises as a result of the fraud, wilful default, negligence or bad faith of such Indemnified Person.

The Company has indemnified and will hold harmless each Indemnified Person from and against all claims, actions, damages, demands or proceedings (and associated losses, expenses and liabilities) which may be brought against or suffered, incurred or sustained by that Indemnified Person to the extent that the same arises directly or indirectly from or in connection with the SIML IMA provided however that this indemnity, shall not extend to liability attributable to the fraud, wilful default, negligence or bad faith of such Indemnified Person.

The SIML IMA will continue until terminated in accordance with its term.

The Company or SIML may terminate the SIML IMA with notice to the other party if that party:

(a) commits any material breach of its obligations under the SIML IMA; or

(b) is liquidated or dissolved (except a voluntary liquidation or a voluntary dissolution for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the notifying party) or is unable to pay its debts as they fall due or commits any act of bankruptcy under the laws of any jurisdiction to which that party may be subject or if a receiver is appointed over any of its assets.

On termination of the SIML IMA, SIML shall be entitled to receive all fees due and other monies accrued up to the date of such termination but shall not be entitled to compensation in respect of such termination.

Termination of the SIML IMA shall be without prejudice to the completion of transactions already initiated and such transactions will be completed by SIML as soon as practicable.

The SIML IMA shall be governed by English law.

7.6 **LTIP**

Members of the Life Science Investment Management Team currently participate in an incentive plan pursuant to which they are entitled to share in the performance of Syncona's existing Life Science Investment portfolio. Under this plan, the Life Science Investment Management Team is entitled to an aggregate maximum of 13.7 per cent. of the growth in the portfolio over a hurdle equal to 1.5 times the £250 million of capital that has been committed to Syncona to date.

The Company proposes that the existing Syncona plan should be discontinued on implementation of the Proposals (with no entitlements being paid out thereunder) and replaced with a new long term incentive plan (the "**LTIP**").

Adoption of the LTIP is subject to the approval of the Company's Shareholders. The Company believes that the LTIP is important to incentivise the Life Science Investment Management Team to maximise the value of the Life Science Investments and, in order to recruit and retain members of the team of sufficient calibre, to be competitive with the incentive arrangements provided by similar, and competitor, organisations.

In the longer term, once the Company is predominantly invested in Life Science Investments, it is anticipated that the Life Science Investment Management Team will be incentivised though a plan that is based on the shareholder return of the Company as a whole.

(a) **Overview**

The principal features of the LTIP are as follows:

- Participation of the LTIP will be limited to the members, from time to time, of the Life Science Investment Management Team (the "**Participants**").

- Initial individual awards under the LTIP (an "**Award**") will be made on the Implementation Date. Thereafter, Awards may be made on an annual basis at the discretion of the senior management of the Life Science Investment Management Team subject to the approval of the Company's Board.

- Awards will entitle Participants to share in the growth in the value of the Group's Life Science Investments from time to time (after deducting the costs of managing those investments) excluding the Group's investment in the Pioneer Fund (the "**Life Sciences Investment Pool**").

- The aggregate percentage amount of the growth of the Life Science Investment Pool to which Participants will be entitled under the LTIP will be determined by reference to the aggregate amount of new capital invested in the Life Sciences Investment Pool (meaning the capital of the Company invested for the first time in Life Science Investments and ignoring for these purposes capital generated on realisations of Life Science Investments). The relevant percentage entitlement will decrease as the new capital invested increases on the basis of the thresholds set out in the table below.

- Growth of the Life Science Investment Pool will be determined for purposes of the LTIP by reference to the portion of the Company's prevailing gross asset value that is attributable to the Life Science Investments Pool from time to time, subject to certain adjustments (as described further below).

- The Company believes that measuring growth in the Life Sciences Investment Pool for the purposes of the LTIP on the basis of the prevailing valuation, instead of proceeds realised from Life Science Investments, is appropriate in order not to encourage the disposal of Life Science Investments earlier than may otherwise be in the Company's best interests and thereby aligns the interests of the Life Science Investment Management Team with the interests of Shareholders.

- Awards will be made on the basis that Participants will only be entitled to share in growth of the Life Science Investment Pool which is in excess of the greater of: (a) the value of the Life Science Investment Pool and (b) the amount of capital invested in the Life Science Investment Pool at the time that the relevant Award is made (the "**Base Line**").

- Realisation of each Award will be subject to satisfaction of a hurdle rate in excess of the relevant Base Line for that Award, being growth of 1.15 times invested capital in respect of the first £400 million of new capital invested in the Life Science Investment Pool (including the initial £165.9 million used to acquire the Syncona portfolio) and growth of 1.3 times invested capital in respect of new capital invested above £400 million (the "**Hurdle Rate**").

- Once the applicable Hurdle Rate has been met, Participants will be entitled to share in all growth on the invested capital above the Base Line for the relevant Award and not just growth in excess of that Hurdle Rate.

- The relevant entitlements and Hurdle Rates by reference to the amount of capital invested are as follows:

Capital invested in Life Science Investment Pool	**Aggregate growth percentage entitlement for all Awards under the LTIP**	**Hurdle Rate**
Up to £165.9 million (being the acquisition value of the initial Syncona portfolio)	13.7 per cent.	1.15 times
From £165.9 million to £400 million	12.0 per cent.	1.15 times
From £400 million to £500 million	11.5 per cent.	1.3 times
From £500 million to £750 million	10.0 per cent.	1.3 times
Above £750 million	7.5 per cent.	1.3 times

- Awards will ordinarily take the form of management equity shares ("**MES**") in BACIT Guernsey Holdco 1 Limited (to be renamed Syncona Holdco Limited) ("**SHL**") a subsidiary of the Company formed for the purpose of being the holding company for the Life Science Investments. Where necessary for tax or regulatory reasons, Awards may take the form of share options or cash-settled payments provided that they are economically equivalent to the MES.
- The MES will not carry voting rights and will not be transferable, other than to the Company on realisation.
- Once vested and on satisfaction of the relevant performance criteria, the MES will be realisable at the option of Participants on an annual basis.
- On realisation, Participants will receive 50 per cent. of the value attributable to the relevant MES in Ordinary Shares, priced by reference to the then prevailing market price of the Ordinary Shares, and the remaining 50 per cent. in cash determined on an after-tax basis.
- Ordinary Shares delivered to Participants on realisation may not be sold or transferred by the recipient for a period of one year following their delivery.
- The Company may satisfy its obligation to deliver Ordinary Shares to Participants either by the issue of new Ordinary Shares (or sales from treasury) or the purchase of Ordinary Shares in the market.
- Once a Participant has realised a MES, he or she will not be entitled to any subsequent growth of the Life Science Investment Pool in respect of that MES.
- Following realisation of a MES, additional Awards of new MES may be made under the LTIP which entitle the holder of the new MES to the growth that would have otherwise have accrued to the realised MES were it still in existence. However, no guarantee will be made that any such additional Awards will be made.

The Board will supervise the operation of the LTIP and will determine the value from time to time of the Life Science Investment Pool for the purposes of the LTIP. The Board members will not be eligible to participate in the LTIP. Any borrowing required to service awards under the LTIP requires approval from the Board.

Awards granted under the LTIP will be non-pensionable.

(b) **Terms and conditions of the LTIP**

The terms and conditions of the LTIP will be set out in the plan rules for the LTIP (the "**Plan Rules**"), the subscription agreements entered into by SHL with Participants in respect of specific awards and SHL's articles of incorporation.

Operation

The making of Awards to Participants under the LTIP will be determined by the senior management of the Life Science Investment Management Team subject to the approval of the Board. The operation of the LTIP will be supervised by the Board.

Eligibility

All members, from time to time, of the Life Science Investment Management Team will be permitted to participate in the LTIP. The Board members will not be permitted to participate in the LTIP.

Plan limits

No individual Participant will be entitled to in excess of 35 per cent. of the number of MES that may be issued under the LTIP. Further, no Participant shall be entitled to hold MES which, together with any Shares of the Company held by that Participant, would entitle him or her to 35 per cent. or more of the voting rights of the Company or SHL.

The aggregate value of Awards made to Participants under the LTIP may not exceed the percentage aggregate entitlement to growth above the thresholds specified under "Overview" above.

The aggregate number of new Ordinary Shares which may be issued on the realisation of Awards under the LTIP in any 10 year period may not exceed 10 per cent. of the number of Ordinary Shares in issue from time to time.

Grant of Awards

Awards will be made on the Implementation Date and ordinarily thereafter on an annual basis following the publication of the Company's annual audited financial statements. Initial Awards may also be made to new joiners of the Life Science Investment Management Team at other times.

Awards will take the form of the issue of new MES to participants on the terms of subscription agreements which set out the relevant Base Line, Hurdle Rate and vesting criteria applicable to the specific Award. Participants will not be required to make any payment in respect of an Award. Where necessary for tax or regulatory reasons, Awards may take the form of share options provided that they are economically equivalent to the MES.

Awards will be non-transferable other than to family members and certain other connected entities of Participants.

Vesting and realisation of Awards

The MES issued to a Participant pursuant to an Award will vest in four equal instalments on the first, second, third and fourth anniversaries of the date of the Award.

Subject to the following limitations, a Participant may elect to realise his or her MES on an annual basis, expected to be a date following the publication of the Company's annual audited financial statements in each year (the "**Realisation Date**").

A Participant shall be permitted on any Realisation Date to realise a maximum of 25 per cent. of the total number of vested MES held by him or her (including MES that he or she has realised prior to that Realisation Date), as illustrated by the following table:

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Vested (Total)	0%	25%	50%	75%	100%	100%	100%	100%	100%
Maximum Redeemable (if Nothing Redeemed in Prior Years)		6.25%	12.5%	18.75%	25%	25%	25%	25%	25%
Maximum Redeemed (if Maximum Redeemed in Prior Years)		6.25%	12.50%	18.75%	25%	25%	12.5%	0%	0%
Maximum Redeemed Cumulative		6.25%	18.75%	37.5%	62.5%	87.5%	100%	100%	100%

The first Realisation Date is expected to occur in July 2018 on which date Participants who have received Awards on the Implementation Date would be entitled to realise 25 per cent. of the vested MES held by him or her on that date, being 6.25 per cent. of the total number of MES issued pursuant to the Award made to him or her on the Implementation Date.

Entitlements on realisation

On realisation of a MES, a Participant will receive Ordinary Shares and cash with an aggregate value equal to the share of the growth attributable to the MES of the gross asset value of the Life Science Investment Pool above the relevant Base Line for the MES, assuming that the applicable Hurdle Rate for the MES has been met.

On realisation, Participants will receive 50 per cent. of the value attributable to the relevant MES in Ordinary Shares, priced by reference to the then prevailing market price of the Ordinary Shares, and the remaining 50 per cent. in cash (with the proportions delivered in Ordinary Shares and cash determined on an after-tax basis).

Ordinary Shares delivered to Participants on realisation may not be sold or transferred by the recipient for a period of one year following their delivery.

The Company may satisfy its obligation to deliver Ordinary Shares to Participants either by the issue of new Ordinary Shares or the purchase of Ordinary Shares in the market. It is expected that the Company would ordinarily issue new Ordinary Shares if the prevailing market price of the Ordinary Shares is equal to, or exceeds, the prevailing net asset value of the Ordinary Shares and deliver existing Ordinary Shares if the prevailing market price is below the prevailing net asset value.

Ordinary Shares delivered on realisation of a MES will not rank for dividends payable by reference to a record date falling before the date of delivery but will otherwise rank *pari passu* with existing Ordinary Shares. Application will be made for new Ordinary Shares delivered on realisation of a MES to be admitted to the Official List and to trading on the Main Market of the London Stock Exchange.

The delivery of Ordinary Shares on realisation of a MES will be subject, in the case of the issue of Ordinary Shares to the Company having in force all applicable Shareholder authorities to issue those shares and in all cases to such delivery not resulting in an obligation on any person to make a mandatory bid under the Takeover Code. Otherwise, instead of the issue or delivery of Ordinary Shares, the Company will satisfy the realisation of the relevant MES to the extent necessary in cash.

Valuation of the Life Science Investment Pool

For the purpose of Awards and realisations under the LTIP, the value of the Life Science Investment Pool will be the sum of the following elements as determined by the Board:

- First, the prevailing valuation of each Life Science Investment as determined for the purposes of calculating the prevailing net asset value of the Company; plus
- Second, the amount of any other assets held by SHL or its subsidiaries or other amounts distributed by SHL to the Company (including resulting from any capital or income distribution or realisation by or in respect of any Life Science Investment); plus
- Third, to the extent not taken account in Second above, the amount of any sums resulting from any capital or income distribution or realisation by or in respect of any Life Science Investment which have been reinvested in Fund Investments for so long as they have not subsequently been reinvested in Life Science Investments; less
- Fourth, an amount equal to the aggregate costs and expenses paid to SIML pursuant to the agreement between the Company and SIML relating to the management of the Life Science Investment Pool; less
- Fifth, the amount of any liabilities (other than under the LTIP) existing at the level of SHL and its subsidiaries (but excluding at the level of any Life Science Investment).

Cessation of employment by Participants

Unvested MES held by a Participant who leaves the Life Science Investment Management Team will, unless the Board decides otherwise, be compulsorily acquired by the Company (for a price equal to any upfront costs, including taxation, incurred by the Participant at the time of making of the relevant Award or, if lower, their market value).

If a Participant ceases to be employed in the Life Science Investment Management Team as a result of retirement, redundancy, disability or death, the Board may determine that Participant's unvested MES shall continue in place or shall be realised at the next applicable realisation date. In addition, if a Participant who is a member of the Life Science Investment Management Team at the Implementation Date has his or her employment subsequently terminated by the Group other than for cause then one-third of any unvested MES awarded to him or her in connection with the implementation of the LTIP (but not in respect of any subsequent Awards) will vest on termination.

Participants who leave the Life Science Investment Management Team will be permitted to retain vested MES (with accelerated proportionate partial vesting of any MES that would otherwise vest at the end of the year in which the Participant departs) unless the Company decides otherwise in circumstances where the Participant is dismissed for cause.

In addition, malus and clawback provisions will apply in respect of Awards and realisations under the LTIP.

Change of control of the Company and certain other events

In the event of a takeover or winding up of the Company, all issued and unrealised MES will immediately vest and be realised. In the case of a takeover or other transaction involving a change of control of the Company, Ordinary Shares issued on realisation of the MES will be priced by reference to the relevant offer price instead of the prevailing market price.

In the event of any demerger, reorganisation, reconstruction, amalgamation or other transaction of the Company which in the reasonable opinion of the Company's board of directors may affect the value of any Award, the board of directors may vary or alter in any manner the terms of the Award so as to provide its overall value, which may include amending any performance criteria or vesting or realisation terms and which may provide for immediate vesting and realisation.

No adjustment should be required to the LTIP in the event of a capitalisation, rights issue, open offer, sub-division or consolidation of the Company's Ordinary Shares, reduction of capital or any other variation of the Company's capital.

Duration of LTIP

Awards may be made under the LTIP for a period of ten years following the Implementation Date. Any MES that has not been realised by the date that is twenty years from the date of its issue will automatically realise on that date if it is in the money and otherwise lapse.

Taxation

Participants in the LTIP are required to agree to pay to the relevant member of the Group the amount of any income tax and social security contributions which such member of the Group is required to withhold or account for to any tax authority. To the extent permitted by law, such tax and social security liabilities may be deducted from other payments due to the Participant. Alternatively, the Company may enter into other arrangements with the Participant which enable the Participant to meet such liabilities and may withhold and sell Ordinary Shares to which the Participant would otherwise be entitled under the LTIP to raise funds in order to meet any such liabilities. To the extent permitted by law, such social security contributions may include employer contributions.

Amendments

Amendments to the LTIP Rules may be made at the discretion of the Board, provided that any provisions governing eligibility requirements, limits and individual participation limits cannot be altered to the advantage of Participants without prior Shareholder approval, except for minor amendments to benefit the administration of the LTIP, to take account of changes in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or the Group. In addition, the Board may establish a separate incentive plan based on the LTIP, or add to, vary or amend the LTIP Rules, in order that any such separate plan or the LTIP (as the case may be) can operate to take account of local tax, exchange control or securities laws in any overseas territories, provided that in the case of a separate plan, any awards under that plan are counted against the limits on individual and overall participation in the LTIP.

General

Paragraph 7.6 of this Part XI summarises the main features of the LTIP but does not form part of it and should not be taken as affecting the interpretation of the detailed terms and conditions constituting the LTIP. Copies of the LTIP Rules will be available for inspection at the registered office of the Company and the offices of Freshfields Bruckhaus Deringer LLP, 65 Fleet Street London EC4Y 1HS during usual office hours from the date of despatch of this document up to and including the date of the Extraordinary General Meeting and at the place of the Extraordinary General Meeting for at least 15 minutes before and during the Extraordinary General Meeting itself. The Directors reserve the right, up to the time of the Extraordinary General Meeting, to make such amendments and additions to the LTIP Rules as they consider necessary or desirable, provided that such amendments and additions do not conflict in any material respect with the summary set out in paragraph 7.6 of this Part XI.

The LTIP is governed by the laws of England and Wales.

7.7 **Relationship Agreement with Wellcome Ventures**

The Company has entered into a relationship agreement with Wellcome Ventures. Wellcome Ventures has agreed, under the terms of the relationship agreement, with the Company to exercise its powers as a Shareholder of the Company such that, for so long as it holds 10 per cent. or more of the rights to vote at general meetings of the Company, it will use all reasonable endeavours as a Shareholder to

procure (*inter alia*) that: (i) the Company will otherwise be capable at all times of carrying on its business independently of Wellcome Ventures and members of the Wellcome Ventures group; and (ii) that the independence of the Company's board of directors will be maintained in accordance with the requirements of Chapter 15 of the Listing Rules. Wellcome Ventures has also agreed that it will not cast any vote on any resolution which relates to the allocation of the Company's Annual Donation amongst individual charities.

The Company has agreed that, provided that Wellcome Ventures holds 25 per cent. or more of the Company's issued share capital, Wellcome Ventures shall be entitled: (i) to appoint two Directors to the Board provided that such appointment shall only be made where it would not cause the Company or any of its Directors to breach any applicable law or regulation including, without limitation, the Listing Rules; and (ii) by notice to the Company at any time to remove any such nominee Director and to nominate an alternative person in his or her place. If Wellcome Ventures' investment falls below 25 per cent. but remains above 10 per cent. it shall be required to take steps to remove immediately one of its nominated Directors from the Board.

The Company has agreed that, provided that Wellcome Ventures holds 10 per cent. or more of the Company's issued share capital, Wellcome Ventures shall be entitled: (i) to appoint one Director to the Board provided that such appointment shall only be made where it would not cause the Company or any of its Directors to breach any applicable law or regulation including, without limitation, the Listing Rules; and (ii) by notice to the Company at any time to remove any such nominee Director and to nominate an alternative person in his or her place. If Wellcome Ventures' investment falls below 10 per cent. it shall be required to take steps to remove immediately all of its nominated Directors from the Board.

Any Director appointed by Wellcome Ventures is subject to retirement by rotation, in accordance with the Articles and their appointment to the Board is subject to the Shareholders' right to vote against their appointment or re-election to the Board at any general meeting. If any person nominated by Wellcome Ventures to the Board is not re-elected by the Company's Shareholders, Wellcome Ventures remains entitled under the agreement to nominate an alternative person to the Board to take the place of the person not re-appointed or re-elected.

Furthermore, the Company has agreed that, subject to any necessary consent of the Panel being obtained and while Wellcome Ventures and its Concert Parties hold 30 per cent. or more of the voting rights of the Company, the Company will procure that: (i) at each annual general meeting, it will put to its independent Shareholders by poll a resolution to waive any obligation on Wellcome Ventures to make a general offer to its independent Shareholders under Rule 9 of the Takeover Code as a result of the Company making any market repurchases of its Ordinary Shares which would otherwise trigger such an obligation (the "**Annual Whitewash Resolution**"); and (ii) that if the Company proposes to issue new Ordinary Shares for cash, and the participation by Wellcome Ventures in a subscription would or might reasonably compel Wellcome Ventures to make a mandatory cash offer for the Company, the Company will convene a general meeting of its Shareholders at which it will put to its independent Shareholders by poll a resolution to waive any obligation on Wellcome Ventures to make such an offer.

In addition, the Company will undertake, under the relationship agreement that, it will not make any purchases of its Ordinary Shares unless: (i) prior to making such purchase, the Company's independent Shareholders have passed an Annual Whitewash Resolution which remains in force; or (ii) the purchase is carried out in such a way that following such purchase Wellcome Ventures and any Concert Parties will not hold a higher percentage, either of the voting rights or the number of the Company's shares, than it held before the purchase; and (iii) in either case, the purchase does not increase Wellcome Ventures' holding (in either the voting rights or the total number of shares of the Company) above the amount of its holding as at the Implementation Date.

The Company also agrees that, at every annual general meeting of the Company's Shareholders, it will propose: (i) that the Company's Shareholders consider the Annual Whitewash Resolution prior to any special resolution authorising the Company to purchase its Ordinary Shares (the "**Annual Buy-Back Resolution**"); and (ii) that the Annual Buy-Back Resolution shall be in force for a maximum period of 12 months from the date of the relevant annual general meeting.

The Company has agreed with Wellcome Ventures that, for so long as Wellcome Ventures and any member of the Wellcome Ventures group hold (in aggregate) an interest, either direct or indirect, in twenty per cent. or more of the aggregate voting rights of the Company, the Company shall provide to Wellcome Ventures, as soon as reasonably practicable, (i) the Board papers and (ii) in relation to

other information only, such financial or other information relating to the Company and the portfolio companies of the Company as is reasonably requested by Wellcome Ventures in order to enable it to inform itself about the Company's affairs and to monitor Wellcome Ventures' investment in the Company and to satisfy its accounting or tax or portfolio investment reporting requirements or obligations (including tax information and financial reporting information).

The Company and Wellcome Ventures have also acknowledged that, subject to the terms of any relevant contractual or other restrictions, Wellcome Ventures may in due course wish to sell some or all of its Ordinary Shares. In such circumstances the Company has agreed to use reasonable endeavours to cooperate with Wellcome Ventures and, at the cost of Wellcome Ventures and provided that any such step will not in the reasonable opinion of the directors of the Company materially prejudice the Company or its other shareholders, take such reasonable steps as requested by Wellcome Ventures to enable Wellcome Ventures to effect such a sale or sales in a timely and efficient manner (which may include assistance with the preparation of a prospectus relating to a public offer of Wellcome Ventures' Ordinary Shares).

The Relationship Agreement shall terminate (i) if Wellcome Ventures or any member of the Wellcome Ventures group ceases to hold at least 10 per cent. of the Company, for a period of at least one month; (ii) on the date that the Company's shares cease to be admitted to the premium segment of the Official List or (iii) on notice from Wellcome Ventures if the Company undergoes a change of control. In addition, all rights and benefits of a party under the agreement shall immediately cease if that party is in material breach of the agreement and this breach is not remedied for a period of 30 Business Days after the relevant party has notified the other party of the relevant breach.

The Relationship Agreement will be governed by English law.

8. Related party transactions

Save as disclosed in paragraph 6.4 of this XI "*Additional information*" of this Prospectus in relation to the BACIT UK IMA and the Limited Partnership Agreement respectively, the Company has not entered into any related party transactions since incorporation.

9. Litigation

Since the Company's incorporation, and during the last 12 months, there have been no governmental, legal or arbitration proceedings which are pending or threatened (including any such proceedings of which the Company is aware) which may have, or have had in the recent past, a significant effect on the Group's financial position or profitability.

10. Financial information

10.1 Deloitte LLP has been the only auditor of the Company since its incorporation. The annual report and accounts of the Company are prepared in Sterling according to IFRS.

10.2 The Company's accounting period ends on 31 March of each year.

10.3 Certain parts of the interim report and unaudited condensed consolidated financial statements for the six months ended 30 September 2016 are incorporated by reference in, and from part of, this Prospectus.

10.4 Certain parts of the annual report and audited consolidated financial statements for the period ending 31 March 2013 and the years ending 31 March 2014, 31 March 2015 and 31 March 2016 are incorporated by reference in, and form part of, this Prospectus.

10.5 The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this Prospectus.

10.6 As at the date of this Prospectus, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness.

The following tables show the capitalisation and indebtedness (excluding accruals) of the Company as at 30 September 2016. The figures for capitalisation and indebtedness as at 30 September 2016 have been extracted from the audited underlying accounting records of the Company as at 30 September 2016. There has been no material change in the capitalisation of the Company since 30 September 2016.

Total capitalisation and indebtedness as at 30 September 2016

	GBP £000
Total current debt	
Loans and Borrowing	
Guaranteed	—
Secured	—
Unguaranteed/Unsecured	—
Total Non-Current debt (excluding current portion of long term debt)	
Loans and Borrowing	
Guaranteed	—
Secured	—
Unguaranteed/Unsecured	—
Other financial liabilities	2,587
Total indebtedness	2,587
Shareholders' equity (excluding retained reserves):	
Share capital*	—
Share premium	408,008
Distributable reserves	78,075
Minority interests	—
Total capitalisation	486,083
A. Cash	320
B. Other financial assets	2,485
C. Trading securities	485,865
D. Liquidity (A) + (B) + (C)	488,670
E. Current financial receivable	—
F. Current bank debt	—
G. Current portion of non-current debt	—
H. Other current financial debt	—
I. Current financial debt (F) + (G) + (H)	—
J. Net current financial indebtedness (I) – (E) – (D)	(488,670)
K. Non-current bank loans	—
L. Bonds issued	—
M. Other non-current loans	—
N. Non-current financial indebtedness (K) + (L) + (M)	—
O. Net financial indebtedness (J) + (N)	—

Notes

* 386,138,785 issued and fully paid ordinary shares of no par value.

10.6 The Company does not provide any pension, retirement or similar benefits.

10.7 The Company will raise up to £506,097,013 (before fees and expenses) through the issue of 386,272,980 New Ordinary Shares under the Firm Placing and the Issue, the proceeds of the Firm Placing and the Issue will be reduced by the product of the Offer Price and the number of Sale Shares that Selling Shareholders have elected to sell.

10.8 The net assets of the Company will increase by £500 million as a result of the Firm Placing and the Issue. The number of New Ordinary Shares that the Company will issue under the Firm Placing and the Issue will be reduced by the number of Sale Shares that Selling Shareholders have elected to sell. As a result, the proceeds received by the Company from the Firm Placing and the Issue will be reduced by an amount equal to the product of the Offer Price and the number of Sale Shares that Selling Shareholders have elected to sell.

11. Valuation Policy

11.1 Following the Firm Placing and the Issue, both the NAV per Share of each class of Shares of the Company in issue from time to time and the Net Asset Value will be calculated by the Administrator and reported to Shareholders on a monthly basis on the website of the Company's website at www.bacitltd.com.

11.2 Fund Investments

(a) *Investments in underlying funds* – The Company's investments in underlying funds will ordinarily be valued using the values (whether final or estimated) as advised to BACIT UK by its managers, general partners or administrators of the relevant underlying fund. The Company or BACIT UK may depart from this policy where it is considered such valuation is inappropriate and may, at its discretion, permit any other method of valuation to be used if it considers that such method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with good accounting practice. In the event that a price or valuation estimate accepted by the Company or by BACIT UK in relation to an underlying fund subsequently proves to be incorrect or varies from the final published price, no retrospective adjustment to any previously announced Net Asset Value or Net Asset Value per Share will be made.

(b) *Marketable quoted securities* – Any investments which are marketable securities quoted on an investment exchange will be valued at the relevant bid price at the close of business on the relevant date.

(c) *Cash and liquid assets* – Cash and liquid assets will be valued at their face value, plus any interest accrued.

11.3 All calculations made by the Administrator for these purposes will be based, in significant part, on valuation information provided by the Company and BACIT UK or by the underlying funds in which the Company invests. The financial reports produced by certain funds in which the Company invests may be provided only on a quarterly or half yearly basis and issued up to four months after their respective valuation dates. Consequently, each reported NAV per Share of each class of shares in issue from time to time will contain information that may be out of date and require updating and completing. Shareholders should bear in mind that the actual NAV per Share may be materially different from any reported estimates.

11.4 Life Science Investments

(a) *Equity investments*

(i) The Company's investments in Life Science Investment companies will, in the case of quoted companies, be valued based on bid prices in an active market as at the reporting date.

(ii) In the case of the Company's investments in unlisted Life Science Investment companies, the fair value will be determined in accordance with the IPEVCV Guidelines.

(iii) Where the Life Science Investment has been made recently it will be valued on a cost basis unless there is objective evidence that it has been impaired since that Life Science Investment was made.

(iv) Given that many of the Company's Life Science Investments will be in seed, start-up or early stage Life Science Investment companies, there will often be no current and no short-term future earnings or positive cash flows and so it will be difficult for the Company or the Life Science Investment Management Team to estimate the probability and financial impact of the success or failure of the development of research activities and to make reliable cash flow forecasts. Consequently, the Company and the Life Science Investment Management Team may value Life Science Investment companies on the basis of the PRI where a Life Science Investment company has recently received investment from other third party investors. Where the Life Science Investment Management Team believes that it is no longer appropriate to value an investment on a PRI basis it will carry out a 'milestone' valuation analysis and adjust the PRI valuation based on its assessment of comparable companies or transactions at similar stages in the development cycle.

(v) Where the Life Science Investment Management Team is unable to value a Life Science Investment on a cost or PRI basis then it will employ one of the alternative methodologies set out in the IPEVCV Guidelines such as DCF or price-earnings multiples. DCF involves estimating the fair value of a Life Science Investment company by calculating the present value of expected future cash flows, based on the most recent forecasts in respect of the underlying business. Given the difficulty involved with producing reliable cash flow forecasts for seed, start-up and early-stage companies, as described above, the DCF methodology will generally be used in the event that a Life Science Investment company is in the final stages of clinical testing prior to regulatory approval or has filed for regulatory approval. where other metrics are considered less reliable.

(vi) A price-earnings multiple methodology involves the calculation of a Life Science Investment company's EBIT, adjusted to a maintainable level. A suitable earnings multiple is derived from an equivalent business or group of businesses, for which the average price-earnings multiple for the relevant sector index can generally be considered a suitable proxy. This multiple is applied to earnings to derive an enterprise value which is then discounted for non-marketability and other risks inherent to businesses in early stages of operation. This methodology will generally be used in the event that a Life Science Investment company has demonstrated that it has sustainable revenues.

(b) *Project investments*

(i) Where an investment in a Life Science Investment project has been made recently it will be valued on a cost basis unless there is objective evidence that it has been impaired since that Life Science Investment was made.

(ii) As above, where there has been a recent investment in a Life Science Investment project by third party investors the Life Science Investment Management Team will value such Life Science Investment on a PRI basis and will, where necessary, conduct a 'milestone' analysis in the manner described above.

(c) *No reliable estimate*

(i) Where the fair value of a Life Science Investment cannot be estimated reliably by the Life Science Investment Management Team, the relevant Life Science Investment will be reported as carrying the same value as at the previous reporting date unless there is objective evidence that the Life Science Investment has since been impaired.

11.5 The Board may at any time temporarily suspend the calculation of the Net Asset Value attributable to the Shares of each class of shares in issue from time to time during:

(a) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Board, disposal or valuation of a substantial portion of the investments of the Company is not reasonably practicable without this being seriously detrimental to the interests of Shareholders or if, in the opinion of the Board, the Net Asset Value of the Company cannot be fairly calculated;

(b) any breakdown in the means of communication normally employed in determining the price of a substantial portion of the investments of the Company or when for any other reason the current prices of any of the investments of the Company cannot be promptly and accurately ascertained;

(c) any period during which any transfer of funds involved in the realisation or acquisition of investments of the Company cannot, in the opinion of the Board, be effected at normal prices or rates of exchange; or

(d) any period when the Board considers it to be in the best interests of the Company.

11.6 Shares will not be issued for the duration of the period of such suspension.

11.7 Details of each monthly valuation, and of any suspension in the making of such valuations, will be announced by the Company through an RIS provider as soon as practicable after the end of the relevant month.

An investment in the Company is intended to appeal to sophisticated or institutional investors who seek long-term capital appreciation and who understand the risks involved in investing in the Company, including the risk of loss of all capital invested.

11.8 As at 31 October 2016, the unaudited NAV per Ordinary Share was £1.29.

12. No significant change

No significant changes to the Group's financial condition and results of operations occurred during the six months ended 30 September 2016 or the years ended 31 March 2016, 2015 and 2014.

At 31 March 2014 90.5 per cent. of the Company's assets were invested in 31 funds across 22 managers. During the financial year to 31 March 2014, the Net Asset Value of the Company increased by 2.73 per cent. and the Company paid a dividend of 1.0 pence per share, delivering a total return per share of 3.63 per cent.

At 31 March 2015 95 per cent. of the Company's assets were invested in 32 fund positions. The Company's NAV total return per share was 11.5 per cent. and the share price total return was 0.8 per cent. The Company paid a scrip dividend of 2.10 pence per share.

At 31 March 2016 97.4 per cent. of the Company's assets were invested in 33 funds across 24 managers. The Company's total return per share was -0.2 per cent. and the share price total return was 8.5 per cent. The Company paid a scrip dividend of 2.20 pence per share.

At 30 September 2016 99.3 per cent. of the Company's assets were invested in 32 funds. The Company's total return per share was 4.82 per cent. During the six months ended 30 September 2016 the Company's Net Asset Value increased by 2.94 per cent. The Company paid a scrip dividend of 2.20 pence per share in August 2016.

The financial performance of the Company is directly impacted by the performance of its underlying fund investments and is, therefore, indirectly impacted by the conditions of the markets in which those funds operate.

There has been no significant change in the financial condition of the Company since 30 September 2016, being the end of the period covered by the historical financial information.

13. City Code on Takeovers and Mergers

13.1 The Directors believe that Wellcome Ventures' support of and investment in the Company are necessary to ensure a successful future for the Company.

13.2 The commitment of Wellcome Ventures to invest in the Firm Placing gives rise to certain considerations and consequences under the City Code on Takeovers and Mergers. Brief details of the Panel, the City Code and the protections they afford to Shareholders are described below.

13.3 The City Code is issued and administered by the Panel. The Panel, which exercises the functions under Chapter 1 of Part 28 of the Companies Act 2006, has been appointed to have the functions conferred by or under Part XVIIIA (''Takeovers and Mergers Panel'') of the Companies Law. Under Rule 9 of the City Code, any person who acquires an interest (as defined under the City Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

13.4 Similarly, when any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person. An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer. For the purposes of the City Code, a concert party arises where persons acting in concert pursuant to an agreement or understanding (whether formal or informal) co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. Control means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of the company, irrespective of whether such interest or interests give de facto control. In addition, a company and their associated companies (for this purpose ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status) are presumed to be persons acting in concert under the City Code.

13.5 Following completion of the Firm Placing, Wellcome Ventures will hold 243,461,685 New Ordinary Shares representing approximately 31.5 per cent. of the Company's enlarged share capital. As the interest of Wellcome Ventures in the voting rights of the Company following the Firm Placing exceeds 30 per cent. Wellcome Ventures would normally be obliged to make a general offer, pursuant to Rule 9 of the City Code, to all other Shareholders to acquire their shares. However, in this instance, the Panel has agreed to waive the obligation to make a general offer that would otherwise arise as a result of the Firm Placing subject to the approval of the Independent Shareholders. Accordingly, a Rule 9 Resolution is being proposed at the EGM as one of the Implementation Resolutions. To be passed, the Rule 9 Resolution will require the approval of a simple majority of votes cast on that resolution.

14. Third party sources

Where information contained in this Prospectus has been sourced from third parties, the Company confirms that such information has been accurately reproduced and, as far as the Company is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

15. Investment Restrictions

The Company is subject to the following investment restrictions:

(a) for so long as required by the Listing Rules, it must not conduct a trading activity which is significant in the context of the Company and its Group as a whole;

(b) for so long as required by the Listing Rules, not more than 10 per cent. of the value of its total assets will be invested in other UK-listed closed-ended investment funds, except for those which themselves have published investment policies to invest not more than 15 per cent. of their total assets in other UK-listed closed-ended investment funds; and

(c) any investment restrictions that may be imposed by Guernsey law, although as at the date of this Prospectus no such restrictions exist.

The Company must at all times comply with its published Investment Policy and any material change to its Investment Policy will only be made, for so long as the Shares are listed on the Official List, with the approval of the Shareholders (by way of ordinary resolution), in accordance with the Listing Rules. Currency and interest rate hedging transactions will only be undertaken for the purpose of efficient portfolio management and will not be undertaken for speculative purposes.

16. General

16.1 The principal place of business and registered office of the Company is P.O. Box 255, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 3QL, Channel Islands.

16.2 The address of BACIT UK is 2nd Floor, 10 Aldermanbury, London EC2V 7RF.

16.3 The Company does not own any premises and does not lease any premises.

16.4 BACIT UK has given its written consent to the inclusion in this document of its name and the references to it in the form in which they appear.

17. Disclosure requirements and notification of interest in shares

17.1 Under Chapter 5 of the Disclosure and Transparency Rules, subject to certain limited exceptions, a person must notify the Company (and, at the same time, the FCA) of the percentage of voting rights he or she holds (within four trading days) if he or she acquires or disposes of shares in the Company to which voting rights are attached and if, as a result of the acquisition or disposal, the percentage of voting rights which he or she holds as a shareholder (or, in certain cases, which he or she holds indirectly) or through his or her direct or indirect holding of certain types of financial instruments (or a combination of such holdings):

(a) reaches, exceeds or falls below five per cent. and each five per cent. threshold thereafter up to 30 per cent., 50 per cent. and 75 per cent.; or

(b) reaches, exceeds or falls below an applicable threshold in the paragraph above as a result of events changing the breakdown of voting rights and on the basis of the total voting rights notified to the market by the Company.

17.2 Such notification must be made using the prescribed form TR1 available from the FCA's website at *http://www.fca.org.uk*. Under the Disclosure and Transparency Rules, the Company must announce the notification to the public as soon as possible and in any event by not later than the end of the trading day following receipt of a notification in relation to voting rights. The FCA may take enforcement action against a person holding voting rights who has not complied with Chapter 5 of the Disclosure and Transparency Rules.

18. Documents available for inspection

18.1 Copies of the following documents will be available for inspection at the registered office of the Company and the offices of Freshfields Bruckhaus Deringer LLP, legal counsel to the Company, 65 Fleet Street, London EC4Y 1HS, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the date of Admission:

(a) the Memorandum of Incorporation and amended and restated Articles of Incorporation of the Company;

(b) the draft Articles of Incorporation of the Company containing the proposed amendments described in this Prospectus; and

(c) this Prospectus.

18.2 In addition, copies of this Prospectus are available free of charge from the registered office of the Company and the offices of the Administrator and the Sponsor. Copies of this Prospectus are also available for access via the National Storage Mechanism at *http://www.morningstar.co.uk/uk/NSM*.

PART XII – DEFINITIONS

"**2010 PD Amending Directive**" means Directive 2010/73/EU;

"**acceptor**" means a person lodging an Application Form with payment in accordance with the terms;

"**Achilles**" means Achilles Therapeutics Limited;

"**Administration Agreement**" means the administration agreement, between the Company and the Administrator, dated 1 October 2012;

"**Administrator**" means Northern Trust International Fund Administration Services (Guernsey) Limited;

"**Admission**" means admission to the Official List and/or admission to trading on the London Stock Exchange, as the context may require, of the New Ordinary Shares becoming effective in accordance with the Listing Rules and/or the LSE Admission Standards as the context may require;

"**Advisers Act**" means the US Investment Advisers Act 1940, as amended;

"**AIFM Directive**" or "**AIFMD**" means EU Alternative Investment Fund Managers Directive (No. 2011/61/EU);

"**AIFMs**" means AIF managers;

"**AIFs**" means alternative investment funds;

"**Amended BACIT UK IMA** means the agreement described in paragraph 6.3 of Part XI "*Additional Information*" of this Prospectus;

"**Annual Buy-Back Resolution**" has the meaning given in Part XI of this document;

"**Annual Donation**" means the annual charitable donation made by the Company;

"**Annual Whitewash Resolution**" has the meaning given in Part XI of this document;

"**Application Form**" means the application form for use in connection with the Open Offer or any application form (whether electronic or otherwise) for use in connection with the Open Offer otherwise published by or on behalf of the Company;

"**Articles of Incorporation**" or "**Articles**" means the memorandum and articles of incorporation of the Company in force from time to time;

"**Artios**" means Artios Pharma Limited;

"**attorney**" means a person nominated as a Selling Shareholder's attorney and agent;

"**Authorised Operator**" means the authorised operator (as defined in the Regulations) of an Uncertificated System;

"**Autolus**" means Autolus Limited;

"**Award**" means individual awards under the LTIP;

"**BACIT UK**" means BACIT (UK) Limited;

"**BACIT UK IMA**" means the investment management agreement dated 19 December 2014 and as amended and restated on 24 December 2015 between BACIT UK, the Company and the General Partner under which BACIT UK is appointed as the investment manager of both the Company and the Limited Partnership;

"**Base Line**" has the meaning given in Part XI of this document;

"**BEPS**" means the OECD's Action Plan on Base Erosion and Profit Shifting, published in 2013;

"**Blue Earth**" means Blue Earth Diagnostics Limited;

"**Board**" or "**Directors**" means the directors of the Company;

"**Bookrunner**" means J.P. Morgan Securities plc;

"**Business Day**" means a day on which the London Stock Exchange and banks in Guernsey and London are normally open for business;

"**C Shares**" means redeemable convertible ordinary shares of no par value in the capital of the Company issued and designated as "C Shares" issued by the Company on the terms and conditions and having the rights, restrictions and entitlements set out in the Articles and summarised in Part XI "*Additional Information*" of this Prospectus;

"**Cancer Research Technology**" means Cancer Research Technology Limited;

"**Capita Asset Services**" is a trading name of Capita Registrars Limited;

"**CEA**" means the U.S. Commodity Exchange Act 1974;

"**certificated**" or "**certificated form**" means not in uncertificated form;

"**CEGX**" means Cambridge Epigenetics Limited;

"**CFC**" means a non-UK tax resident company which is controlled or deemed to be controlled by UK tax resident persons;

"**CGT**" means UK chargeable gains tax;

"**CIS Rules**" means Registered Collective Investment Schemes Rules 2015;

"**City Code**" means the City Code on Takeovers and Mergers of the United Kingdom;

"**Code**" means the US Internal Revenue Code of 1986, as amended;

"**Commodity Exchange Act**" means the US Commodity Exchange Act of 1974, as amended;

"**Companies Law**" means the Companies (Guernsey) Law, 2008, as amended;

"**Company**" means BACIT Limited;

"**Corporate Governance Code**" means The UK Corporate Governance Code as published by the Financial Reporting Council;

"**CREST**" means the facilities and procedures for the time being of the relevant system of which Euroclear has been recognised as the "recognised operator" pursuant to the Regulations;

"**CREST Shareholders**" means Shareholders whose Ordinary Shares on the register of members of the Company on the Record Date are in uncertificated form;

"**CRS**" means the OECD's "Common Reporting Standard";

"**CRUK Pipeline Agreement**" means the pipeline agreement which the Company intends to enter into with Cancer Research Technology;

"**CRUK Sale Agreement**" means the transfer agreement between BACIT Discovery Limited and Cancer Research Technology;

"**CRUK Trademark Licence Agreement**" means the trademark licence agreement between the Company and CRUK;

"**Custodian**" means Northern Trust (Guernsey) Limited;

"**DCF**" means discounted cash flow;

"**Deed of Election**" means the deed poll of election and power of attorney relating to the Liquidity Facility and the Sale Shares;

"**Default Shares**" means Shares held by a Shareholder in default;

"**Defaulting Member**" has the meaning given in Part XI "*Additional Information*" of this Prospectus;

"**Deferred Share**" means the non-participating, non-redeemable deferred Share having the right to payment of £1 thereon on the liquidation of the Company and carrying a right to vote only if there are no other classes of voting share of the Company in issue but no other rights;

"**Depositary**" means Northern Trust (Guernsey) Limited;

"**Depositarty Agreements**" means the agreements summarised in paragraph 6.7 of Part XI "*Additional Information*";

"**Directive** means The European Directive on Takeover Bids (2004/25/EC);

"**Disclosure and Transparency Rules**" means the disclosure rules and the transparency rules under Part VI Financial Services and Markets Act 2000;

"**Discontinuation Vote** means the discontinuation vote of the Company to be proposed to Shareholders at the EGM;

"**DP Law** means the Data Protection (Bailiwick of Guernsey) Law 2001;

"**EBIT**" means earnings before interest and tax;

"**EEA**" means the European Economic Area;

"**Electronic Election**" has the meaning given in Part VII "*Details of the open offer and placing*" of this document;

"**ERISA**" means the US Employee Retirement Income Security Act of 1974, as amended;

"**ES Shares**" has the meaning given in paragraph 7.6 of Part XI "*Additional Information*" of this document;

"**Euroclear**" means Euroclear UK and Ireland Limited;

"**Excess Application Facility**" means the opportunity for Qualifying Shareholders who have applied for their Open Offer Entitlements in full to apply for additional Ordinary Shares;

"**Excess Application Shares**" means Ordinary Shares subscribed to or received under the Excess Application Facility;

"**Excess Shares**" means the Open Offer Shares that are not taken up by Qualifying Shareholders under the Open Offer pursuant to their Open Offer Entitlements;

"**Exchange Act**" means the US Securities Exchange Act of 1934, as amended;

"**Excluded Shareholder**" means a Shareholder who is a US Person or who is located or resident in, or who has a registered address in, an Excluded Territory;

"**Excluded Territories**" means any jurisdiction where the extension or availability of the Open Offer would breach any applicable law;

"**Extraordinary General Meeting**" or "**EGM**" means the extraordinary general meeting of the Company to be held on 14 December 2016;

"**EU**" means the European Union;

"**EU Savings Directive**" means the EU Savings Directive (2003/48/EC);

"**FATCA**" means the United States Foreign Account Tax Compliance Act provisions of the US Hiring Incentives to Restore Employment Act 2010, which implemented sections 1471 through 1474 of the Code, any agreements entered into pursuant to section 1471(b)(1) of the Code, any intergovernmental agreements entered into in connection with the implementation of such sections of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to such intergovernmental agreements entered into in connection with sections 1471 through 1474 of the Code;

"**FCA**" means the UK Financial Conduct Authority (or its successor bodies);

"**FDA**" means the United States Food and Drug Administration;

"**FFI Agreement**" means an agreement entered into with the US Internal Revenue Service pursuant to Section 1471(b) of the US Internal Revenue Code of 1986, as amended;

"**FFIs**" means non-US financial institutions;

"**Firm Placees**" means CRUK and Wellcome Ventures;

"**Firm Placing**" means the issue of 264,334,417 New Ordinary Shares to the Firm Placees;

"**First Period**" has the meaning given in Part I "*Transaction overview"* of this document;

"**foreign passthru payments**" means payments not from US sources but attributable to US-source payments;

"**Freeline**" means Freeline Therapeutics Limited;

"**FSMA**" means the Financial Services and Markets Act 2000;

"**FTSE All Share Index**" means the average of share prices of all companies on the London Stock Exchange;

"**Fund Investment Management Team**" means the team of investment management professionals engaged by BACIT UK from time to time which is responsible for making Fund Investment decisions and managing the Company's Fund Investments;

"**Fund Investments**" means leading long-only and alternative investment funds and managed accounts across multiple asset classes payments that the Company may invest in;

"**General Partner**" means BACIT GP Limited;

"**GFSC**" means the Guernsey Financial Services Commission;

"**Global Coordinator**" means J.P. Morgan Securities plc;

"**Group**" means the Company, the General Partner, the Limited Partnership and, once incorporated, SIML (for the purposes of the historical financial information set out in Part VIII "*Financial*

information and reports to shareholders'' of this Prospectus ''Group'' shall mean the Company and the General Partner only);

''**Gyroscope**'' means Gyroscope Therapeutics Limited;

''**Hurdle Rate**'' has the meaning given in Part XI;

''**ICR**'' means the Institute of Cancer Research;

''**ICR Projects**'' means drug development and medical innovation projects undertaken by the ICR or its subsidiaries in the field of cancer research and therapeutics which have the potential for commercial development and application;

''**IFRS**'' means the International Financial Reporting Standards, being the principles-based accounting standards, interpretations and the framework by that name adopted by the International Accounting Standards Board, as adopted by the EU;

''**IGA**'' means intergovernmental agreement;

''**Implementation Date**'' means the date on which the Proposed Transaction is implemented by the Company;

''**Implementation Resolutions** means the resolutions required to implement the Proposed Transaction and to be proposed to Shareholders at the EGM

''**Indemnified Person**'' means BACIT UK, SIML and each of its officers, directors, employees, representatives or agents;

''**Independent Shareholders**'' means all Shareholders other than Wellcome Ventures and any other Shareholder deemed to be acting in concert with Wellcome Ventures as determined under the City Code;

''**Initial Life Science Portfolio**'' means the portfolio of Life Science Investments held by Syncona and the limited partnership interest in the Pioneer Fund to be acquired from Cancer Research Technology by the Company as part of the Proposed Transaction;

''**Investment Company Act**'' means the US Investment Company Act of 1940, as amended;

''**Investment Management Team**'' means the Fund Investment Management Team and the Life Science Investment Management Team;

''**Investment Policy**'' means the Company's published investment policy, as amended from time to time;

''**Investment Undertaking**'' means the Limited Partnership, any intermediate holding or investing entities that the Company or the Limited Partnership may establish from time to time for the purposes of efficient portfolio management and to assist with tax planning generally and any subsidiary undertaking of the Company or the Limited Partnership from time to time;

''**IPEVCV Guidelines**'' means the International Private Equity and Venture Capital Valuation Guidelines;

''**IRR**'' means the Company's internal rate of return;

''**IRS**'' means the US Internal Revenue Service;

''**ISIN**'' means an International Securities Identification Number;

''**Issue**'' means the pre-emptive open offer (and the associated Excess Application Facility) of Ordinary Shares (which will comprise either Sale Shares or New Ordinary Shares depending upon the number of Sale Shares offered for sale under the Liquidity Facility by Selling Shareholders) to existing Qualifying Shareholders and the non pre-emptive placing of Ordinary Shares (which will comprise either Sale Shares or New Ordinary Shares depending upon the number of Sale Shares offered for sale under the Liquidity Facility by Selling Shareholders and the number of Open Offer Shares subscribed for in the Open Offer) to eligible investors;

''**Life Science Investment Management Team**'' means the team of investment management professionals responsible for making Life Science Investment decisions and managing the Company's Life Science Investments from time to time;

''**Life Science Investment Pool**'' means the Group's Life Science Investments from time to time excluding the Group's investment in the Pioneer Fund;

''**Life Science Investments**'' means the life science businesses (including private and quoted companies) and single asset projects that the Company intends to invest in;

"**Limited Partnership**" means BACIT Investments LP Incorporated, the Investment Undertaking in which the Company is the sole limited partner;

"**Limited Partnership Agreement**"means the limited partnership agreement dated 25 September 2012 and amended on 24 September 2013 between the General Partner as general partner and the Company as the sole limited partner;

"**Liquidity Facility**" means the offer by the Company to existing Shareholders to sell certain of their Sale Shares;

"**Listing Rules**" means the listing rules made by the UK Listing Authority under section 73A Financial Services and Markets Act 2000;

"**London Stock Exchange**" or "**LSE**" means London Stock Exchange plc;

"**LSE Admission Standards**" means the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to the Official List;

"**LTIP**" means long term incentive plan;

"**LTIP Rules**" means the plan rules for the LTIP;

"**Macrophage**" means Macrophage Pharma Limited;

"**Mainspring**" means Mainspring Fund Services Limited;

"**Memorandum**" or "**Memorandum of Incorporation**" means the memorandum of incorporation of the Company;

"**MES**" means management equity shares;

"**Multilateral Agreement**" means the multilateral competent authority agreement that activates the automatic exchange of FATCA-like information in line with the CRS;

"**NAV per Share**" means the Net Asset Value per Ordinary Share;

"**Net Asset Value**" or "**NAV**" means the value of the assets of the Company less its liabilities as calculated in accordance with the Company's valuation policy and expressed in Sterling (as described under the heading "*Valuation Policy*" in Part VIII "*Financial Information and Reports to Shareholders*" of this Prospectus);

"**New Ordinary Shares**" means new redeemable ordinary shares of no par value in the capital of the Company issued and designated as Ordinary Shares of such class and issued pursuant to the Firm Placing and, where applicable and depending upon the number of Sale Shares offered for sale by Selling Shareholders, the Issue and having the rights, restrictions and entitlements set out in the Articles;

"**Nightstar**" means NightstaRx Limited;

"**nil rate band**" has the meaning given in Part IX;

"**NMPI**" means non-mainstream pooled investments;

"**NMPI Regulations**" means the Unregulated Collective Investment Schemes and Close Substitutes Instrument 2013;

"**Non-CREST Shareholders**" Shareholders whose Ordinary Shares on the register of members of the Company on the Record Date are in certificated form;

"**Non-Qualified Holder**" means any person whose holding or beneficial ownership of Shares may result in (i) the Company or any Investment Undertaking from being in violation of, or required to register under, the Investment Company Act or the Commodity Exchange Act or being required to register the Shares under the US Securities Exchange Act (including in order to maintain the status of the Company as a "foreign private issuer" for the purposes of that Act); (ii) the assets of the Company from being deemed to be assets of an employee benefit plan within the meaning of ERISA or of a plan within the meaning of Section 4975 of the Code or of a plan or other arrangement subject to provisions under applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the Code; (iii) the Company or any Investment Undertaking having or being subject to withholding obligations under, or being in violation of, FATCA or otherwise not being in compliance with the Investment Company Act, the Exchange Act, the Commodity Exchange Act, ERISA or any applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the Code; (iv) the Company being a "controlled foreign corporation" for the purposes of the Code;

or (v) the Company ceasing to be a ''foreign private issuer'' for the purposes of the Securities Act or the Exchange Act;

''**OECD**'' the Organisation for Economic Co-operation and Development;

''**Offer Price**'' means 131.15 pence per Ordinary Share;

''**offer to the public**'' means, in relation to any Shares in any Relevant Member State, the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State;

''**Official List**'' means the list maintained by the UK Listing Authority pursuant to Part VI of the Financial Services and Markets Act 2000;

''**offshore funds rules**'' means Part 8 of the Taxation (International and Other Provisions) Act 2010;

''**Open Offer**'' means the offer of further Ordinary Shares (which will comprise either Sale Shares or New Ordinary Shares depending on the number of Sale Shares offered for sale under the Liquidity Facility by Selling Shareholders) to Qualifying Shareholders (and the associated Excess Application Facility) constituting an invitation to subscribe for 6 Ordinary Shares for every 19 Ordinary Shares held on the Record Date on the terms and subject to the conditions set out in this document and the Application Form;

''**Open Offer Entitlements**'' entitlements to subscribe for further Ordinary Shares allocated to Qualifying Shareholders pursuant to the Open Offer;

''**Open Offer Shares**'' means the Sale Shares or New Ordinary Shares (such number of New Ordinary Shares being dependent upon the number of Sale Shares offered for sale under the Liquidity Facility by Selling Shareholders) being offered to Qualifying Shareholders pursuant to the Open Offer;

''**Ordinary Shares**'' means the existing redeemable ordinary shares of no par value in the capital of the Company issued and designated as Ordinary Shares of such class (including the Sale Shares) and the New Ordinary Shares to be issued by the Company under the Issue and Firm Placing;

''**Original Holding**'' has the meaning given in Part IX;

''**Panel** means the UK Panel on Takeovers and Mergers;

''**Participants** means participants in the LTIP;

''**personal data''** means information that a prospective investor in the Company provides in documents in relation to a proposed subscription for Ordinary Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual;

''**Pioneer Fund**'' means the CRT Pioneer Fund;

''**Placees**'' the persons with whom a placing of Ordinary Shares (which will comprise either Sale Shares or New Ordinary Shares depending upon the number of Sale Shares offered for sale under the Liquidity Facility by Selling Shareholders and the number of Open Offer Shares subscribed for in the Open Offer) has been or will be made;

''**Placing**'' means the placing of Ordinary Shares (which will comprise either Sale Shares or New Ordinary Shares depending upon the number of Sale Shares offered for sale under the Liquidity Facility by Selling Shareholders and the number of Open Offer Shares subscribed for in the Open Offer) pursuant to the Placing Agreement;

''**Placing Agreement**'' means the placing agreement between the Company and the Sponsor dated 28 November 2016;

''**Plan Investors**'' has the meaning given in Part XI;

''**POI Law**'' means the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended;

''**PRA** means the UK Prudential Regulation Authority (or its successor bodies);

''**PRI**'' means price of recent investment;

''**Proposed Directors**'' has the meaning given in Part I of this document;

''**Proposed Investment Policy**'' means the expanded Investment Policy set out in Part I of this Prospectus;

"**Proposed Transaction**" means the proposed expansion of the Company as described in Part I "*Transaction overview*" of this Prospectus;

"**Prospectus**" means this Prospectus;

"**Prospectus Directive**" means Directive 2003/71/EC as amended and includes any relevant implementing measure in each Relevant Member State;

"**Prospectus Rules**" means the prospectus rules made by the UK Listing Authority under section 73A of the Financial Services and Markets Act 2000;

"**Qualifying Shareholder**" means a shareholder included on the register of shareholders of the Company on the Record Date, other than an Excluded Shareholder;

"**Realisation Date**" has the meaning given in Part XI;

"**Receiving Agent**" means Capita Asset Services, a trading name of Capita Registrars Limited;

"**Receiving Agent Agreement**" means the receiving agent agreement between the Company and the Receiving Agent dated 28 November 2016;

"**Record Date**" the close of business in London on 24 November 2016 in respect of the entitlements of Shareholders under the Open Offer;

"**Registrar**" means Capita Registrars (Guernsey) Limited;

"**Registrar Agreement**" means the registrar agreement between the Company and the Registrar, dated 1 October 2012;

"**Regulation S**" means Regulation S under the Securities Act;

"**Regulations**" means the Uncertificated Securities (Guernsey) Regulations, 2009 (as amended from time to time);

"**Relationship Agreement**" means the agreement entered into between the Company and Wellcome Ventures dated 28 November 2016;

"**Relevant Member State**" is a member state of the EEA that has implemented the Prospectus Directive;

"**relevant Open Offer Shares**" means the Open Offer Shares referred to in the Application Form;

"**RIS provider**" means a regulatory information services provider;

"**Rule 9 Resolution**" means a resolution to waive any obligation by Wellcome Ventures or its concert parties to make a general offer to the Independent Shareholders for their Ordinary Shares in accordance with Rule 9 of the City Code;

"**Sale Shares**" means the Ordinary Shares that Selling Shareholders have elected to sell under the Liquidity Facility;

"**SDRT**" means UK stamp duty and stamp duty reserve tax;

"**Second Period**" has the meaning given in Part I "*Transaction overview*" of this document;

"**Securities Act**" means the US Securities Act of 1933, as amended;

"**Selling Shareholder**" means any Shareholder wishing to sell all or part of their Shares under the Liquidity Facility;

"**Share**" means a share in the Company (of whatever class);

"**Shareholder**" means the registered holder of a Share;

"**SHL** has the meaning given in paragraph 7.6 of Part IX "*Tax considerations*" of this document;

"**SIML**" means BACIT Holdco 4 Limited (to be renamed Syncona Investment Management Limited);

"**SIML AIFM Approval Date**" means the date on which SIML receives regulatory approval from the FCA to act as the Company's AIFM;

"**SIML Consultancy Agreement**" means the consultancy agreement to be entered into by BACIT UK and SIML relating to the Life Science Investments;

"**SIML Expenses Agreement**" means the expenses and indemnification agreement between the Company and SIML;

"**SIML IMA**" means the investment management agreement between the Company and SIML;

"**SIPP**" means Self-Invested Personal Pension;

"**Sixth Element**" means Sixth Element Capital Partners LLP;

"**Sixth Element Small Molecule Portfolio**" means the intellectual property rights in six single asset projects held by Pioneer Fund;

"**Sponsor**" means J.P. Morgan Securities plc;

"**SSAS**" means Small Self-Administered Scheme;

"**Sterling**" means pounds sterling, the lawful currency of the United Kingdom;

"**Subscription and Lock-Up Agreements**" means the agreements summarised in paragraph 6.2 of Part XI "*Additional Information*" of this Prospectus;

"**Start Date**" means the date which is the last day of the month in which the Implementation Date occurs;

"**Syncona Sale Agreements** means the transfer agreements between, amongst others, a subsidiary of the Company and Wellcome Ventures;

"**Tobacco Company**" means any company, entity or organisation (or in a group or combination of the same) any part of whose business is the development, production, promotion, marketing, and/or sale of tobacco or tobacco products in any country of the world, or is an affiliate of the same, excluding companies that resell tobacco products as an incidental, insignificant or ancillary part of their overall business;

"**TTE Instruction**" means a transfer to escrow instruction (as defined by the CREST manual issued by Euroclear);

"**UK**" or "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland;

"**UK Listing Authority**" or "**UKLA**" means the Financial Conduct Authority;

"**uncertificated form**" or "**in uncertificated form**" means recorded on the register as being held in uncertificated form and title to which may be transferred by means of an Uncertificated System in accordance with the Regulations;

"**Uncertificated System**" any computer based system and its related facilities and procedures that is provided by an Authorised Operator and by means of which title to units of a security can be evidenced and transferred in accordance with the Regulations, without a written instrument;

"**US**" or "**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**US-Guernsey IGA**" means the intergovernmental agreement between the US and Guernsey signed by the Chief Minister of Guernsey on 13 December 2013;

"**US Persons**" means a "U.S. person" as defined in Regulation S under the Securities Act; and

"**USE**" means Unmatched Stock Event; and

"**Wellcome Ventures** means North London Ventures Limited.

APPENDIX

BACIT LIMITED AIFMD DISCLOSURES

BACIT Limited (the "**Company**") is an externally managed non-EEA alternative investment fund for the purposes of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (the "**AIFMD**"). BACIT (UK) Limited (the "**Investment Manager**") is the investment manager of the Company and its non-EEA alternative investment fund manager for the purposes of the AIFMD.

This appendix sets out the information required by Article 23(1) of the AIFMD to be made available to investors before they invest in the Company or cross-refers to the relevant document that is available and which contains such information.

AIFMD Article	Information Requirement	Disclosure or location of information
Article 23(1)(a)	A description of the investment strategy and objectives of the AIF.	The Company's current investment policy is set out in the Prospectus, starting at page 65 (the **Investment Policy**). The Company's proposed amended investment policy (the **Proposed Investment Policy**) is set out in this prospectus starting at page 53. The Investment Manager's investment strategy is described starting at page 79 of the Prospectus.
	Information on where any master AIF is established.	Not applicable
	Information on where the underlying funds are established if the AIF is a fund of funds.	Not applicable.
	A description of the types of assets in which the AIF may invest.	The types of assets in which the Company may invest is set out in the Investment Policy and Proposed Investment Policy.
	A description of the investment techniques the AIF may employ.	The investment techniques that may be employed by the Company is set out in the Investment Policy.
	A description of all associated risks.	The risk factors associated with an investment in the Company are set out in the Prospectus at pages 18 to 42.
	A description of any applicable investment restrictions.	The investment restrictions to which the Company is subject are set out in the Investment Policy on page 66. The investment restrictions applicable under the Proposed Investment Policy are set out on pages 54 and 55.
	A description of the circumstances in which the AIF may use leverage.	The circumstances in which the Company may use leverage are set out in the Investment Policy on page 67 and, in respect of the Proposed Investment Policy, are set out on page 55.
	A description of the types and sources of leverage permitted and the associated risks.	The Company may utilise credit or other borrowing facilities as leverage. The risks associated with the use of this leverage are described on pages 18-42 of the Prospectus.
	A description of any restrictions on the	The restrictions on the Company

AIFMD Article	Information Requirement	Disclosure or location of information
	use of leverage.	regarding the use leverage are set out in the Investment Policy on page 67 and, in respect of the Proposed Investment Policy, are set out on page 55. The Company is subject to the leverage limits contained in the Investment Policy and, if adopted the Proposed Investment Policy and its Articles of Incorporation. There is no limit on the use of leverage by underlying entities in which the Company may invest.
	A description of any collateral and asset reuse arrangements.	Not applicable.
	The maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF.	The restrictions on the Company regarding the use leverage are set out in the Investment Policy on page 67 and, in respect of the Proposed Investment Policy, are set out on page 55. The Company is subject to the leverage limits contained in the Investment Policy and its Articles of Incorporation. There is no limit on the use of leverage by underlying entities in which the Company may invest.
Article 23(1)(b)	A description of the procedures by which the AIF may change its change investment strategy or investment policy, or both.	The basis on which the Company may change its Investment Policy is set out on page 139 of the Prospectus. Any change to the Investment Policy which is non-material or to the investment strategy does not require shareholder consent.
Article 23(1)(c)	A description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, information on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established.	The main legal implications of the contractual relationship entered into for the purpose of an investment in the Company are as follows: (A) The Company is incorporated in Guernsey as a non-cellular company limited by shares, pursuant to the Companies Law. Persons who acquire shares will become shareholders in the Company and become bound by the provisions of the Articles and the Companies Law. (B) Save as set out below in paragraph (C), any disputes between an investor and the Company will be resolved by the Royal Courts of Guernsey in accordance with Guernsey law. (C) Investors will offer to subscribe for Ordinary Shares pursuant to the Issue, the terms of which shall be governed by, and construed in accordance with, the laws of England and Wales. Any disputes

AIFMD Article	Information Requirement	Disclosure or location of information
		between an investor and the Company relating to the contract to subscribe for Ordinary Shares under the Issue will be governed by, and construed in accordance with, the laws of England and Wales. (D) Subject to the provisions of the Judgments (Reciprocal Enforcement) (Guernsey) Law 1957 and all regulations, rules or orders made under it (together, the ''Reciprocal Enforcement Legislation''), if any final and conclusive judgment under which a sum of money is payable (that is not in respect of taxes or similar charges, a fine or a penalty) were obtained in a superior court (as defined in the Judgments (Reciprocal Enforcement) (Amendment) Ordinance 1991) in England and Wales, Scotland, Northern Ireland, the Isle of Man, Jersey, Italy, Israel, the Netherlands, the Netherlands Antilles or Surinam (a ''Reciprocal Enforcement Court'') against the Company that judgment would be recognised and enforced in Guernsey without reconsidering its merits if such recognition were sought within six years of the original judgment. (E) A judgment of a court of any other member state of the EEA is not directly enforceable in Guernsey. The Guernsey courts, however, have inherent jurisdiction to recognise and enforce, without reconsidering the merits, an in personam judgment for a fixed and ascertainable sum of money (not being in respect of taxes or similar charges, a fine or a penalty) that is final and conclusive given against the Company on the merits by such court (having jurisdiction according to the rules of private international law), provided that: (a) such judgment is not for exemplary, multiple or punitive damages and is obtained without fraud, in accordance with the principles of natural justice and is not contrary to public policy; and (b) the enforcement proceedings in the Guernsey courts are duly served.

AIFMD Article	Information Requirement	Disclosure or location of information
Article 23(1)(d)	The identity of the AIFM.	The AIFM of the Company is BACIT (UK) Limited but, as part of the Proposed Transaction, will be replaced by SIML.
	The identity of the AIF's depositary.	Northern Trust (Guernsey) Limited
	The identity of the AIF's auditor.	Deloitte LLP Guernsey
	The identity of any other service providers to the AIF.	The Company's other service providers are listed on pages 49-50 of the Prospectus.
	A description of the duties, and the investors' rights in respect of, the AIFM.	The Company's shareholders do not have a direct cause of action against the Investment Manager.
	A description of the duties, and the investors' rights in respect of, the depositary.	The Depositary's duties in relation to the Company are the monitoring of cash flows, asset safekeeping and general oversight obligations. The Company's shareholders do not have a direct cause of action against the Depositary.
	A description of the duties, and the investors' rights in respect of, the auditor.	The auditor's duties are described on page 10 of the Prospectus. The Company's shareholders do not have a direct cause of action against the auditor.
	A description of the duties, and the investors' rights in respect of, the other service providers.	The Company's shareholders do not have a direct cause of action against any of the Company's service providers.
Article 23(1)(e)	A description of how the AIFM is complying with the requirements of Article 9(7) (i.e. the AIFM must hold additional own funds or have appropriate insurance cover in respect of professional liability risks).	Not applicable.
Article 23(1)(f)	A description of any management function which is delegated to a third party by the AIFM.	Not applicable.
	A description of any safe-keeping function delegated by the depositary.	Not applicable.
	The identification of the delegate.	Not applicable.
	A description of any conflicts of interest that may arise from such delegations.	Not applicable.
Article 23(1)(g)	A description of the AIF's valuation procedure.	The Company's valuation procedure is described on pages 115-117 of the Prospectus.
	A description of the pricing methodology for valuing assets, including the methods used in valuing hard-to-value assets.	The Company's pricing methodology is described on pages 115-117 of the Prospectus.
Article 23(1)(h)	A description of the AIF's liquidity risk management, including the redemption rights both in normal and in exceptional circumstances.	The Company and the Investment Manager monitor the Company's liquidity on an on-going basis so that the Company maintains an appropriate level of liquidity in its assets having regard to its obligations.

AIFMD Article	Information Requirement	Disclosure or location of information
		Shareholders of the Company are not entitled to redeem their investment in the Company. The Ordinary Shares are admitted to trading on the London Stock Exchange, and shareholders may sell their shares on that exchange or otherwise negotiate transactions with potential purchasers.
	A description of the existing redemption arrangements with investors.	Not applicable.
Article 23(1)(i)	A description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors.	The fees and expenses payable by the Company to its directors and the investment manager are described on page 70-71 of the Prospectus.
		The fees and expenses payable by the Company to its other service providers are described on page 70-71 of the Prospectus.
		The fees and expenses payable to the Company's custodian and depositary are described on page 71 of the Prospectus.
		Shareholders do not bear any of the expenses of the Company directly. Shareholders bear, indirectly, the full amount of all fees, charges and expenses of the Company, as these are liabilities of the Company.
Article 23(1)(j)	A description of how the AIFM ensures fair treatment of investors.	In accordance with the UK Listing Rules, all shareholders of the Company holding the same class of securities and in the same position must be treated equally in respect of the rights attaching to their securities. No shareholder has, or has the right, to obtain any preferential treatment.
	A description of the type of investors who obtain such preferential treatment and, where relevant, their legal or economic links with the AIF or AIFM.	Not applicable.
Article 23(1)(k)	The latest annual report of the AIF.	Available at the Company's website: www.bacitltd.com
Article 23(1)(l)	A description of the procedure and conditions for the issue and sale of units or shares.	Not applicable.
Article 23(1)(m)	The latest net asset value of the AIF or the latest market price of a unit or of the AIF.	Available at the Company's website: share www.bacitltd.com
Article 23(1)(n)	Where available, the historical performance of the AIF.	Available at the Company's website: www.bacitltd.com
Article 23(1)(o)	The identity of the prime broker.	The Company does not have a prime broker.
	A description of any material arrangements of the AIF with its prime	Not applicable.

AIFMD Article	Information Requirement	Disclosure or location of information
	brokers and the way the conflicts of interest in relation thereto are managed.	
	Information about any transfer of liability to the prime broker that may exist.	Not applicable.
	The provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets.	Not applicable.
Article 23(1)(p)	A description of how and when the information required under Article 23(4) (liquidity) will be disclosed. Article 23(4) requires the AIFM to periodically disclose to investors: (a) the percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature; (b) any new arrangements for managing the liquidity of the AIF; and (c) the current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks. In respect of this requirement, the document should set out how and when this information will be supplied.	Shareholders are notified in the annual audited financial statement of the Company of the following: (a) the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature; (b) any material change to the arrangements, or new arrangements, for managing the liquidity of the Company; and (c) the current risk profile of the Company and the risk management systems employed by the Investment Manager to manage those risks.
Article 23(1)(p)	A description of how and when the information required under Article 23(5) (leverage) will be disclosed. Article 23(5) requires the AIFM, insofar as the AIFM utilises leverage in respect of the AIF to disclose, on a regular basis: (a) any changes to the maximum level of leverage which the AIFM may employ on behalf of the AIF, as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangements; and (b) the total amount of leverage employed by the AIF. In respect of this requirement, the document should set out how and when this information will be supplied.	Shareholders are notified by regulatory information system announcement of any material change to the maximum level of leverage which the Investment Manager may employ on behalf of the Company as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangements and the total amount of leverage employed by the Company.